

APPENDIX 1

APPENDIX 1 : Malaysian CRs of the 1990s

Consumer Products

Year

- | | |
|-----------------------------|------|
| 1) Berjaya Singer Bhd. | 1994 |
| 2) Proton | 1994 |
| 3) Tradewinds | 1995 |
| 4) UMW (United Motor Works) | 1995 |

Industrial Products

Year

- | | |
|--|------|
| 5) Esso Malaysia | 1994 |
| 6) DMIB | 1994 |
| 7) Amalgamated Metal Corporation (AMC) | 1993 |

Trading/Services

Year

- | | |
|--|------|
| 8) Hap Seng | 1993 |
| 9) Kinta Kellas | 1993 |
| 10) Malaysian Mosaics | 1994 |
| 11) Kamunting Corporation Berhad (KCB) | 1994 |
| 12) Tenaga Nasional Berhad (TNB) | 1994 |
| 13) Sime Darby | 1994 |
| 14) Tanjong plc | 1995 |
| 15) Johan Holdings | 1992 |
| 16) Malakoff | 1995 |

Trading Services**Year**

17) Pernas	1995
18) Wearne Brothers Limited	1992
19) Multi-Purpose Holdings Berhad (MPHB)	1994

Properties**Year**

20) Selangor Properties	1993
21) Sime United Estate Project (UEP) Properties Berhad	1994
22) Hong Leong Properties	1994
23) Sateras Resources	1994
24) Arab Malaysian Development Berhad (AMDB)	1994
25) Island and Peninsula	1995
26) Pelangi	1995
27) Bandar Raya	1995

Finances**Year**

28) Public Bank Berhad	1994
29) Development and Commercial (D & C) Bank	1993
30) Rashid Hussain Berhad	1994
31) Arab Malaysian Finance Berhad (AMFB)	1994
32) Amanah Harta	1993

<u>Plantations</u>	<u>Year</u>
33) Kulim	1994
34) Kuala Lumpur Kepong (KLK) Plantations	1994
35) Guthrie Ropel	1993
36) Golden Hope	1994
37) Selangor Coconuts	1994
38) Terengganu Development Malaya (TDM) Plantations	1994
39) Guthrie Berhad	1993

<u>Construction</u>	<u>Year</u>
40) Promet	1994
41) P.J. Development Holdings	1994
42) United Engineers	1995

<u>Mining</u>	<u>Year</u>
43) Timah Langat	1990
44) Idris Hydraulics	1994

<u>Trust</u>	<u>Year</u>
45) Arab Malaysian First Property (AMFP) Trust	1994

APPENDIX 2

APPENDIX 2 : Malaysian Annual Reports

<u>Plantations</u>	<u>Year</u>
1) Chin Teck	1980
2) Selangor Coconuts Berhad	1975
3) Kempas (Malaya) Berhad	1980

<u>Trading/Services</u>	<u>Year</u>
4) News Straits Times Press	1975
5) Kinta Kellas	1981

<u>Properties</u>	<u>Year</u>
6) Arab Malaysian Development Berhad	1986
7) Bandar Raya Development Berhad	1986
8) United Estate Project (UEP)	1980

<u>Finance</u>	<u>Year</u>
9) Overseas Chinese Banking Corporation	1982
10) Pacific Bank Berhad	1980

<u>Industrial Products</u>	<u>Year</u>
11) Tractors Malaysia Holdings Berhad	1986

Appendix 3

Sample CRs From the 1990s and 1970s

Chairman's Statement

On behalf of the Board of Directors, I have pleasure in presenting the Company's Annual Report and Accounts for the year ended 31st December 1993.

FINANCIAL PERFORMANCE

For the financial year under review, the Group pre-tax profit was RM460,812 a substantial increase against the previous year profit of RM71,706. At the Company level, the pre-tax profit also increase to RM308,322 from RM1,969 in 1992.

DIVIDEND

In view of the results achieved, the Board of Directors does not recommend any dividend payment for the year ended 31st December 1993.

REVIEW OF THE OPERATIONS

ESTATE

The Fresh Fruit Bunches and Crude Palm Oil production from the plantation sector was higher by 9% and 6% respectively. This coupled with the increase palm product prices had improved the result in this sector. The current market price of Crude Palm Oil and Palm Kernel is about RM1,100 and RM750 respectively. This should be able to produce even better results in the next financial year.

Another 945 acres have been utilised for replanting purposes. This is in line with the Company's expansion program in order to maintain its production level and performance.

TRADING

There was a drop in turnover for both East Coast Trading Sdn Bhd and TDM Helling Sdn Bhd. With the increase in production of palm oil products and with the plans to diversify our trading arm, we are confident that the performance of these two subsidiaries will be better in the near future.

FOOD SERVICES

A&W of Malaysia Sdn Bhd had an increase in its turnover to RM20,497,612 from RM18,669,480 in 1992. This was achieved with a set up of 24 outlets, as compared to 23 outlets in the previous year. The profit before tax increased to RM1,609,975 from RM1,049,912 in 1992. The Company has again become the main contributor to the Group's profit.

During the financial year, 41% of the shares in Relkop Food Services Sdn Bhd were disposed off. This however did not have any adverse effect on the Group's profit.

RESORTS DEVELOPMENT

There was a substantial increase in turnover to RM1,001,800 from RM664,112 in 1992. After the massive expansion done during the year, the result is expected to be even better in the next financial year especially so with the launching of 'Visit Malaysia Year 1994'.

BOARD OF DIRECTORS

It is with honour that I take this opportunity to welcome the appointment of Dato' Abdul Rashid bin Ngah, Zaki @ Mohd Zaki bin Yusof, Ismail bin Sulong and Mohd Yusop bin Abd Mutalib to the Board of Directors. With their vast experience, I am sure that the Group will grow even further.

PROSPECTS

With the current favourable business outlook in Malaysia and with the ever increasing demand of palm oil products, fast food and holiday resorts, we can expect a much better financial year results than 1993, barring any unforeseen circumstances.

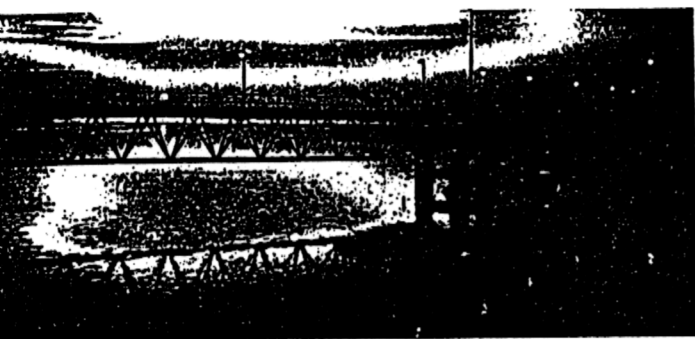
The Board will be committed to the continuing development and strengthening of the Group and will continue to deliver substantial and growing results in the future.

ACKNOWLEDGEMENT

The Board of Directors and myself extend our deepest gratitude and appreciation to the Management and Staff at all levels for their dedication, loyalty, contribution and hardwork to the Group. I also take this opportunity to thank all our shareholders and business associates for their support and encouragement throughout the year.

MOHD ADIB BIN HAJI AWANG NOH
EXECUTIVE CHAIRMAN

Date: 3rd June 1994



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Promet, 1994

Executive Chairman's Statement

On behalf of the Board of Directors, I am pleased to present to shareholders our 36th Annual Report for the year ended 31 December 1994.

Financial Performance

The Group reported a 49 per cent increase in group pre-tax profit to RM134.88 million on a 29 per cent rise in turnover to RM286.24 million compared to the previous year's profit before tax of RM123.42 million on turnover of RM222.52 million. The improvement in turnover and profit before tax was mainly due to profit recognised from our contracting, steel fabrication and rental businesses.

Investment and other income during the year rose 20 per cent to RM9.35 million.

The Group's profit after tax but before minority interests increased significantly to RM24.72 million from RM7.84 million previously. The tax charge in the current year rose marginally to RM10.49 million from RM9.07 million previously.

After providing for tax and minority interests, group profit amounted to RM17.68 million, giving earnings per share of 3.32 sen compared with group profit of RM1.48 million or earnings per share of 0.28 sen previously.

During the year, the Group continued to focus on its core businesses of marine contracting, civil engineering and construction and steel fabrication. With the expertise and track record built up in these core areas, we intend to position the Group regionally - and internationally - as a leading infrastructure developer and investor.

Prospects

With our emphasis on increased participation in infrastructure development, the Group is actively bidding for projects in the Asia Pacific region, especially in India, Pakistan and the Philippines.

Leveraging on our track record in Pakistan, we recently signed three Memoranda of Agreement (MOAs) with the Pakistan Government during the

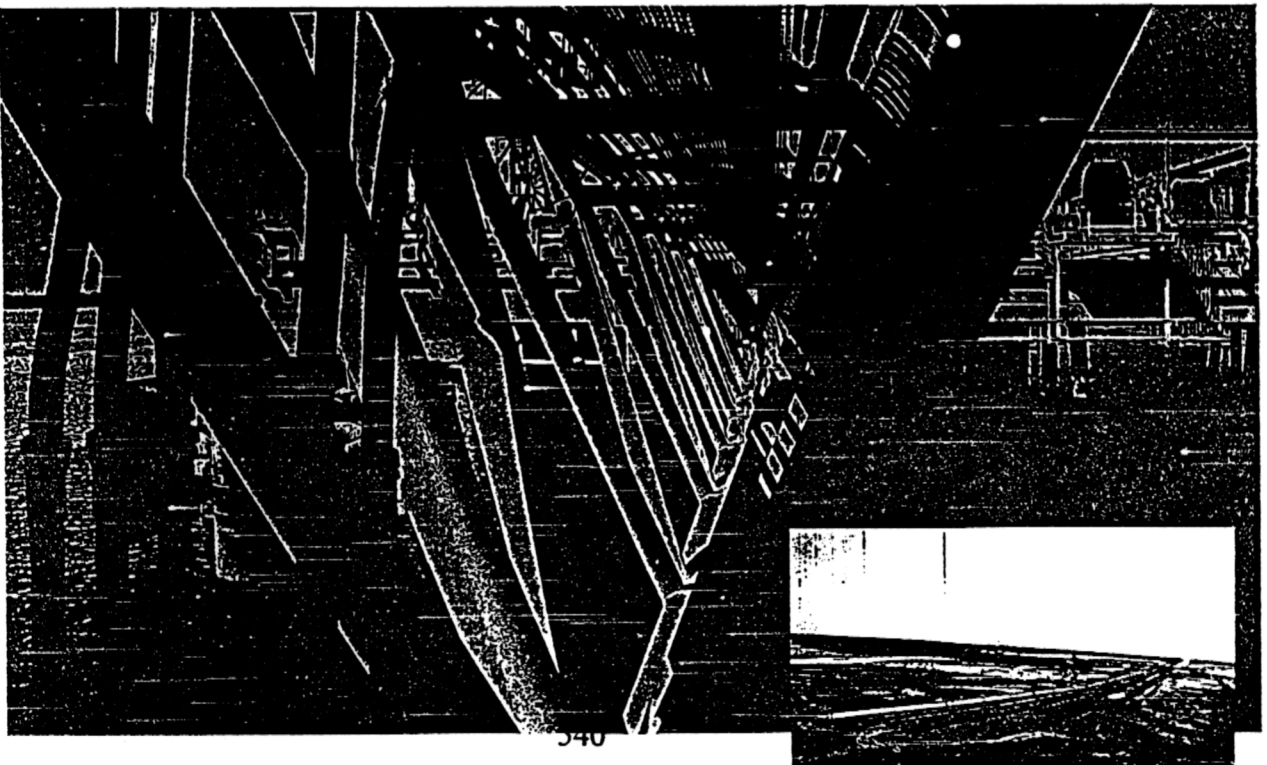
visit of Pakistan's Prime Minister Benazir Bhutto to Singapore in March this year for a range of potential infrastructure development projects involving, separately, the Karachi Port Trust (KPT) which are the trustees of the Port of Karachi, and the National Highway Authority (NHA).

As part of the agreement, Promet Engineering (Singapore) Pte Ltd, our wholly-owned subsidiary, will undertake a feasibility study on three port infrastructure projects commissioned by the Karachi Port Trust. The study will assess the technical, economic, commercial and other associated factors for the viability of an investment by the Company.

Promet's investment in any of these projects could range from investment, either on its own or in joint venture, to turnkey contracting.

Additionally, Promet signed two more MOAs with the NHA, involving projects comprising highways, bridges and flyovers intended to further develop the infrastructure for transportation in Pakistan.

With healthy cash reserves in excess of RM140 million and RM450 million of authorised unissued capital, the Group is in a strong position to fund





such projects as well as pursue other prospective investments and projects in the region.

In China, our investment in the Yantai shipyard in the Shandong province of China has given us a low-cost shipbuilding base as well as the opportunity to bid for projects in the offshore industry on the mainland. The Group is anticipating that the Yantai shipyard will contribute to profits in the longer term.

Infrastructure Development

The most significant project completed during the year was the US\$70 million oil terminal project in Port Qasim, 40 km outside of Karachi in Pakistan, for a Pakistan-incorporated joint venture company - the Fauji Oil Terminal and Distribution Company Limited. The project undertaken by Promet Pte Ltd tested the Group's expertise across the entire range of our business segments.

Further to the successful completion of the Fauji oil terminal contract, the Group was awarded in January this year a US\$68 million contract by Asia

Petroleum Limited to construct a 80-km pipeline to supply fuel oil to the Hub Power Plant, a 1,292 MW power station in the Hub River district of Balochistan.

The project, which is funded by the World Bank and the Commonwealth Development Corporation, is expected to be completed by June 1996 inclusive of commissioning and testing before the first unit of the Hub Power Plant is due to come onstream.

Undertaken on a turnkey basis, this project combines the skills and expertise of the Group in such core competencies as marine contracting, civil engineering and steel fabrication.

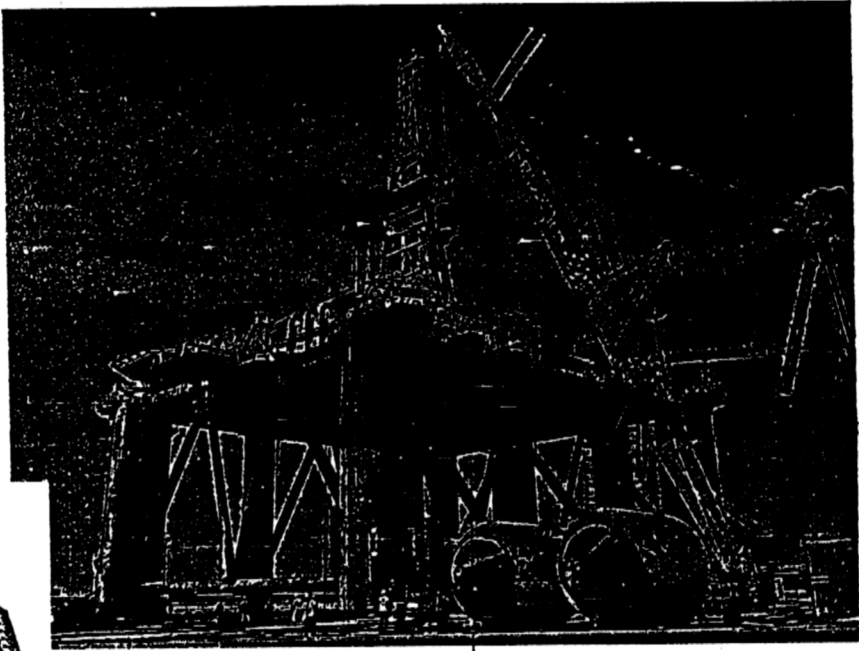
In China, the Group invested RM38 million in Hong Kong Stock Exchange listed Wah Nam Group which has a majority stake in a privatised toll road project in Hangzhou, China.

The 12-km road, completed in the final quarter of 1994, is part of China's National Highway 320

leading to the Southern part of Zhejiang and gives access to a number of tourist attractions such as the Thousand Island Lakes, Yaolin Wonderland and Westlake. Toll collection on the road began on 1 November last year.

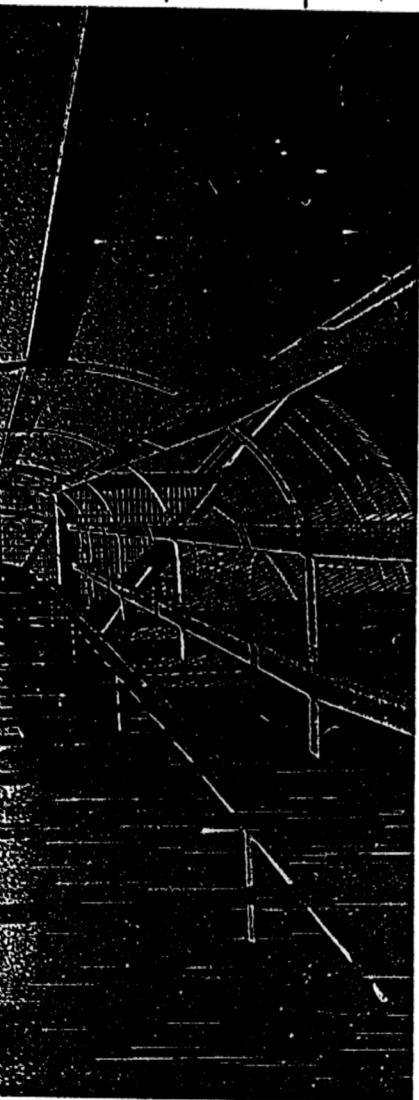
Subsequently, through our investment in the Wah Nam Group, Promet was involved in the takeover of an Australian-listed company called Investments Australia Ltd (IAL). The Wah Nam Group's wholly-owned infrastructure concern was sold to IAL. As a result, the Group now has access to the Australian capital market for funding for infrastructure development projects.

Apart from its investment in Wah Nam, the Group also recently invested RM3 million - amounting



Promet Pte Ltd

Promet Pte Ltd is an internationally renowned marine contractor with expertise in rig and ship building and upgrading of vessels and rigs. Its reputation has been built on its ability to meet the exacting deadlines and stringent service requirements of its clients.



PERPUSTAKAAN INSTITUT PENGAJIAN SISWAZAH
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to a 15 per cent equity interest - in TCL Industries Sdn Bhd, a subsidiary of Thirumalai Chemicals Limited, which is listed on the Bombay Stock Exchange. TCL Industries will construct and operate a petrochemical plant in Kemaman, Trengganu, which will produce maleic anhydride, a petrochemical used in the manufacture of materials for the plastics industry.

Civil Engineering and Construction

During the year, we completed a S\$26 million contract for Fantasy Island, a water theme park-cum-entertainment complex on Singapore's Sentosa island. As with all projects undertaken by the Group, the Fantasy Island project was completed on schedule.

In addition, Promet also completed the initial phases of several housing projects in the Philippines. Work on subsequent phases for these projects is ongoing.

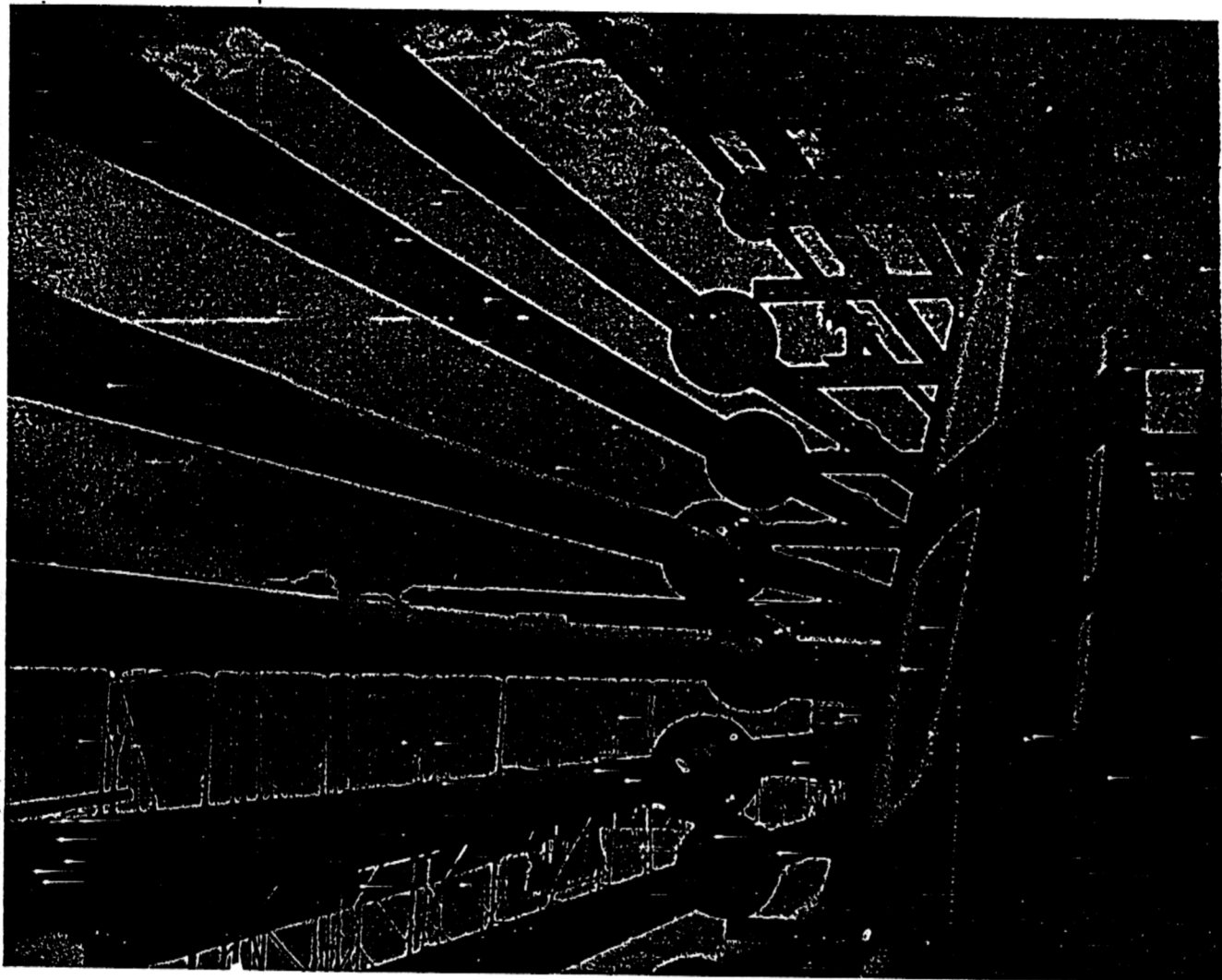
The Group, through its Philippine associate, recently signed a Memorandum of Understanding with the Philippine Government Service Insurance System (GSIS) to develop, construct and sell housing units. The GSIS is a government financial institution which provides direct housing loans to government employees to buy low cost housing.

Marine Contracting

Singapore-based Promet Pte Ltd continues to be recognised for its expertise in rigbuilding, and this was reflected in the demand for its services in a number of rig upgrading projects in the Singapore yard during the year.

The yard in Johor, Malaysia, was also kept busy with projects such as the upgrading of specialty vessels.

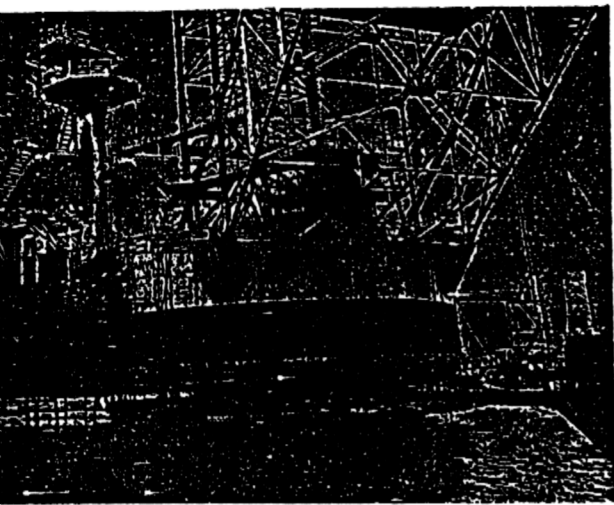
Promet is still regarded as a leading marine contractor. Backed by two established yard operations in Singapore and Johor, Promet is well



Promet Engineering (S) Pte Ltd

Promet Engineering specialises in the development and implementation of infrastructure projects such as chemical, pharmaceutical, petrochemical and power plants, refineries, oil terminals, pipelines, ports and wharves.





placed to take advantage of the local and regional markets for the building of large, offshore steel structures, ships and rigs.

Promet's steel fabrication facilities in the Singapore and Johor yards have won accolades from many quarters. As one of the larger steel fabrication concerns in the region, the Group has a good reputation for meeting the requirements of large, integrated offshore steel structures.

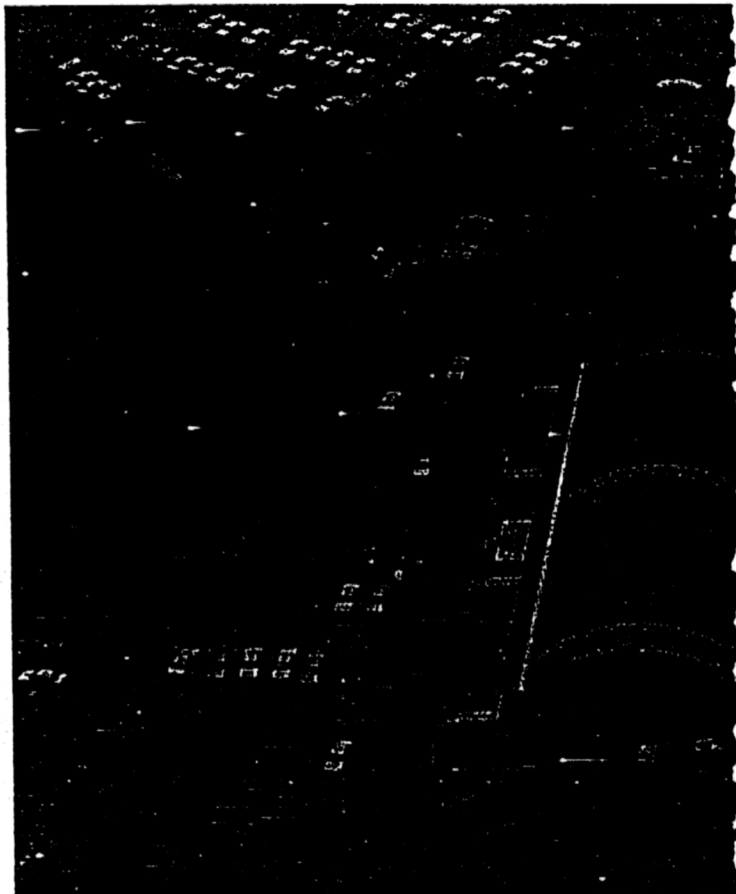
The reputation and profile of the Group has been enhanced by the high standards of performance in all these areas.

Property

As part of the Group's strategy to keep all its assets and investments under regular review to ensure maximum returns, we have scaled down our property investments through the disposal of our matured properties.

At an Extraordinary General Meeting (EGM) held on 26 January 1995, shareholders approved the disposal by Promet Developments Sdn Bhd, a wholly owned subsidiary of Promet Bhd, of the Exchange Square property to Chew Piau Bhd for RM196.7 million.

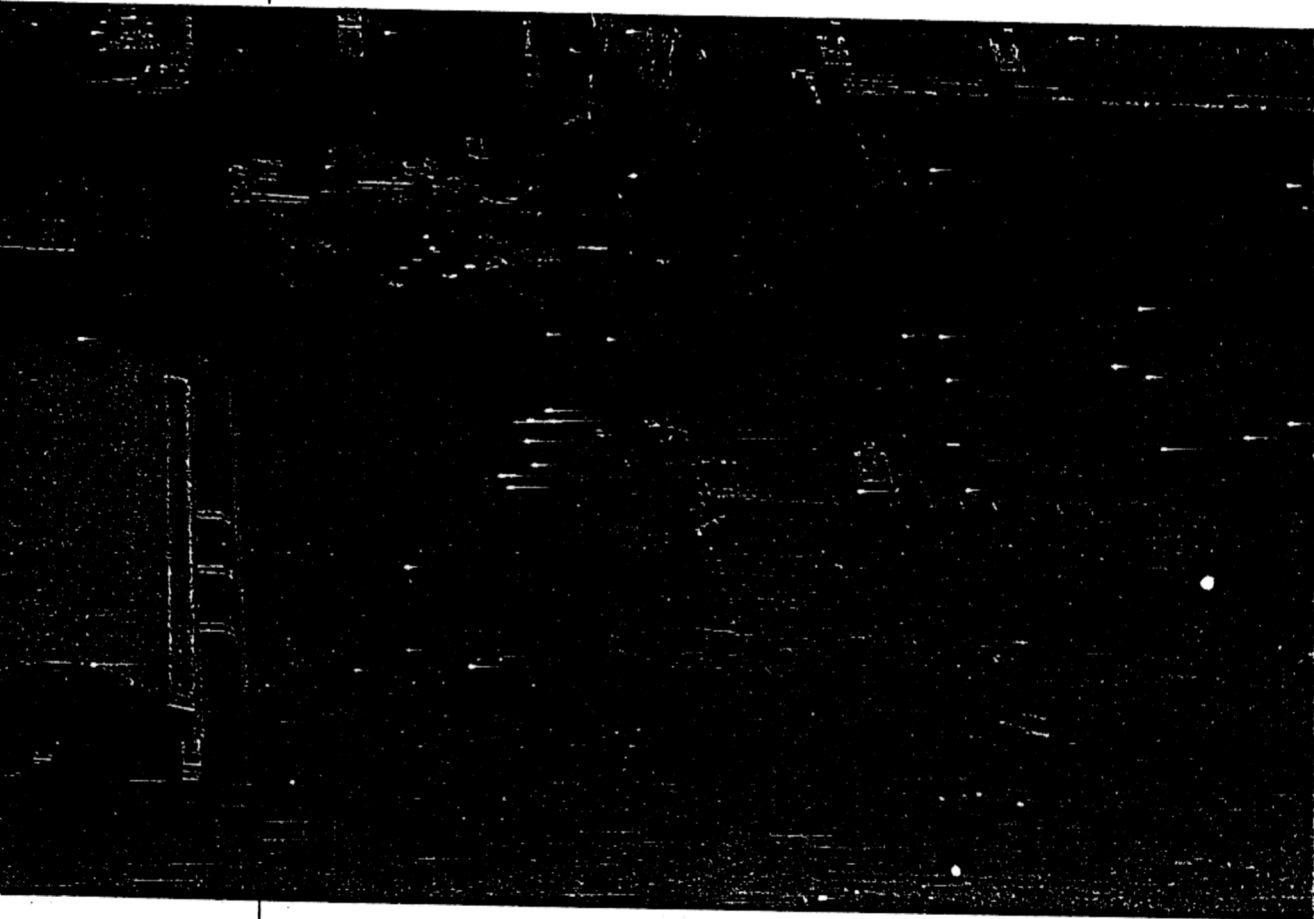
The Sale and Purchase Agreement entered into between Promet Developments and Chew Piau was completed on 24 February, 1995.



Promet Fabricators Sdn Bhd

Promet Fabricators provides a wide range of steel fabrication services to the marine and oil gas industries.

Its yard in Malaysia is well equipped with modern facilities and has the capacity to fabricate both onshore and offshore steel structures.



Our strategy is to upgrade our portfolio and re-invest in property with higher income earning potential.

In line with this, the Group is reviewing plans to upgrade Kompleks Karamunsing in Kota Kinabalu, Sabah, which will transform it from a retail-office building into a retail-office-hotel complex.

The redevelopment of Kompleks Karamunsing with a hotel component will greatly enhance the attraction of the complex and serve the growing needs of the business community in Kota Kinabalu as more business investment from Peninsular Malaysia flows into Sabah.

Upgrading of the building is expected to commence in 1995, and once completed, Kompleks Karamunsing will enhance the Group's property portfolio.

Corporate Developments

At an Extraordinary General Meeting held on 26 January 1995, shareholders approved an increase in the authorised share capital of the company from RM550 million to RM1 billion, by the creation of an additional 450 million ordinary shares of par value RM1.00 each. This will enable the Company to accommodate any future capital expansion.

Following the sale of a portion of our investment in Ipco International Ltd, the Group's shareholding in Ipco has been reduced to 29.5 percent from 33.6 percent previously. The Group has discontinued the accounting for its share of results in Ipco as it did not have significant influence over the financial and operating policy decision of this associate.

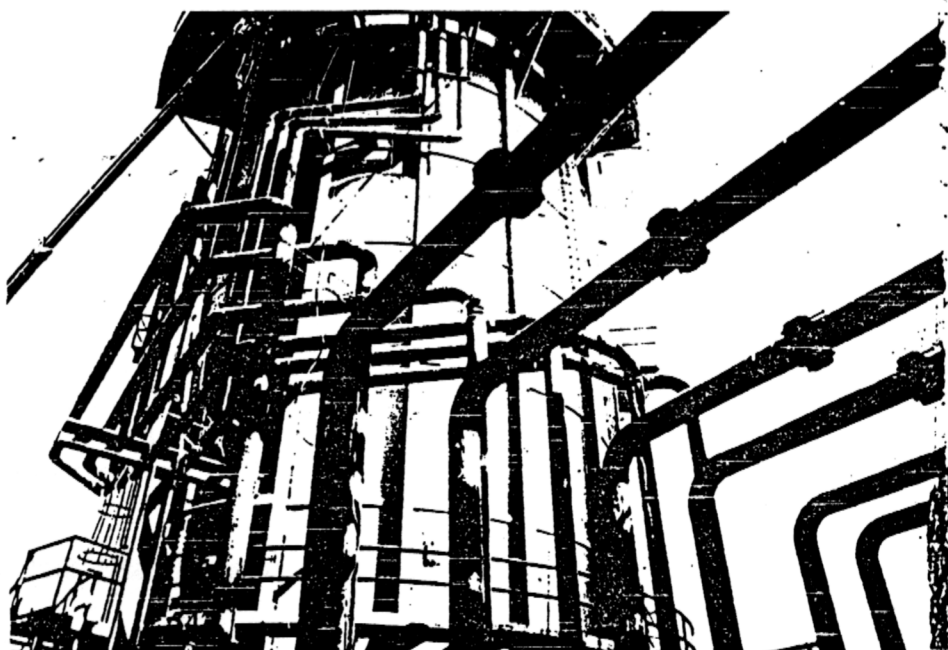
Human Resource

Crucial to the success of the Group's endeavours is its competent and dedicated staff. We will continue to invest in staff development and training programmes in order to strengthen our complement of professional and managerial staff, who play a key role in helping the Group realise its corporate objectives.

Appreciation

The Board would like to take this opportunity to thank our business associates, staff and shareholders, for their continuing support during the past year. Finally, I would also like to extend my sincere thanks to my fellow directors for their roles in the growth of the Group.

Dato' Brian Chang
Executive Chairman
28 April 1995





On behalf of the Board of Directors, I have pleasure in presenting the Annual Report of Arab-Malaysia Finance Berhad for the year ended 31st March, 1994.

VIEW OF THE COUNTRY

Despite the strong economic growth in the country, the companies' operations did not meet earlier expectations for 1993. Total assets of the industry increased from RM54.9 billion in 1992 to RM63.3 billion in 1993, a 15.2% rise as against 12% in 1992. Total loans grew accordingly by RM5.7 billion to RM44.8 billion at the end of 1993, an increase of 14.7% as against a 12% increase in 1992. Term loans in the form of hire-purchase, lease, and end-financing for residential houses and commercial financing accounted for 93% of the increase. Credit in 1993 was extended mainly to individuals for consumption purposes, for housing, for the purchase of stocks and shares and to the construction and manufacturing sectors. Non-performing loans declined by 4.4% in 1993 following an increase of 11.4% in 1992. Consequently, the ratio of non-performing loans to total loans was reduced from 14.1% a year ago to 13.3%.

During the year, growth of total deposits outpaced growth of total loans, registering an increase of 16.2% or RM7.1 billion as against a moderate growth of 12.2% or RM4.8 billion in 1992. While growth of fixed deposits recorded a

17.6% rise, savings deposits grew sharply by 43.3%. This was expected as fixed deposit rates declined 150 basis points from a high of 7.9% to a low of 6.4% within the 12 month period whereas the savings rate was maintained at 5% making the latter relatively more attractive.

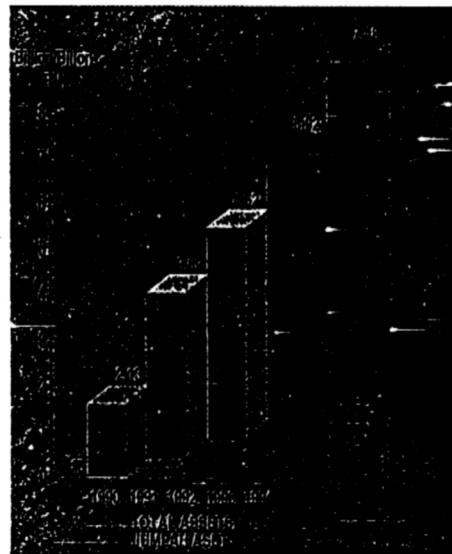
► Preliminary unaudited results for the 1993 financial year showed the industry's pre-tax profit rising by 39.9% to RM656 million from RM469 million the previous year. Total income amounted to RM5.4 billion, an increase of RM793 million or 17.2% while total expenditure was RM4.8 billion, an increase of RM606 million or 14.6%.

FINANCIAL PERFORMANCE

► AMFB had another successful year judging by the results of the financial year ended 31st March, 1994. Pretax profit increased by 37.9% to RM107.6 million from RM78.0 million for the previous year. Consequently, gross earnings per share increased to 71.6 sen from 52.0 sen. The better showing is a result of a buoyant economy complemented by the Company's sound marketing strategies, focused business direction and effective credit and asset administration policies.

► Total assets grew by RM1.6 billion from RM5.9 billion to RM7.5 billion, an increase of 26.4%, compared to the industry's average of 15.2%. Loans and advances registered an increase of 23%, surpassing the RM5 billion mark at RM5.3 billion.

► The Company's focus



in 1993 was on the main growth sectors and sub-sectors of the manufacturing, construction and services industry with clientele represented by both the retail and corporate sectors.

► Close supervision and follow-ups on non-performing loans have succeeded in reducing the volume of such loans.

Bagi pihak Lembaga Pengarah, saya dengan tulus membentangkan Laporan Tahunan Arab-Malaysian Finance Berhad (AMFB) bagi tahun berakhir Mac, 1994.

KEKAWANAN INDUSTRI

ajar dengan pertumbuhan ekonomi negara yang prestasi syarikat-syarikat kewangan pada tahun telah melepasi jangkaan awalnya. Jumlah aset ini meningkat daripada RM54.9 bilion dalam tahun 1992 kepada RM63.3 bilion dalam tahun 1993, atau 15.2% berbanding 12% dalam tahun 1992. Pinjaman berkembang seimbang sebanyak RM5.7 bilion menjadi RM14.8 bilion pada penghujung tahun 1993, iaitu kenaikan 14.7% berbanding 12% pada tahun 1992. Perbankan berjangka seperti pembiayaan sewa beli, pembiayaan akhir untuk

perumahan dan pembiayaan pembangunan merupakan 93% daripada kenaikan tersebut. Pada tahun 1993, kredit-kredit diberikan terutama kepada individu-individu untuk tujuan perumahan, untuk perniagaan, untuk pembelian stok dan untuk sektor-sektor lain. Pinjaman tidak berbayar menurun 4.4% dalam tahun 1993 selepas kenaikan 1.1% dalam tahun 1992 pada kadar 1.1%. Oleh sebab itu, nisbah

pinjaman tidak berbayar berbanding jumlah pinjaman menurun daripada 15.9% tahun lepas kepada 13.3%. Pada penghujung tahun, jumlah deposit melebihi jumlah pinjaman, lalu mencatatkan kenaikan sebanyak RM7.1 bilion setelah mengalami penurunan yang sederhana pada 12.2% atau RM1.8 bilion dalam tahun 1992. Sambil perkembangan deposit mencatatkan kenaikan 17.6%, simpanan tumbuh pada 43.3%. Ini memang dijangka berlaku akibat kadar kemasukan kadar deposit tetap yang menurun dari 150 mata asas dari setinggi 7.9% hingga



serendah 6.4% dalam tempoh 12 bulan, manakala kadar simpanan kekal pada 5% yang menjadikannya lebih menarik.

► Keputusan awal belum diaudit untuk tahun

kewangan 1993 melibatkan keuntungan belum cukai industri ini meningkat 39.9% kepada RM656 juta berbanding RM469 juta pada tahun terdahulu. Pendapatan keseluruhan berjumlah RM5.4 bilion, meningkat RM793 juta atau 17.2% manakala perbelanjaan keseluruhan ialah RM4.8 bilion, meningkat RM606 juta atau 14.6%.

PRESTASI KEWANGAN

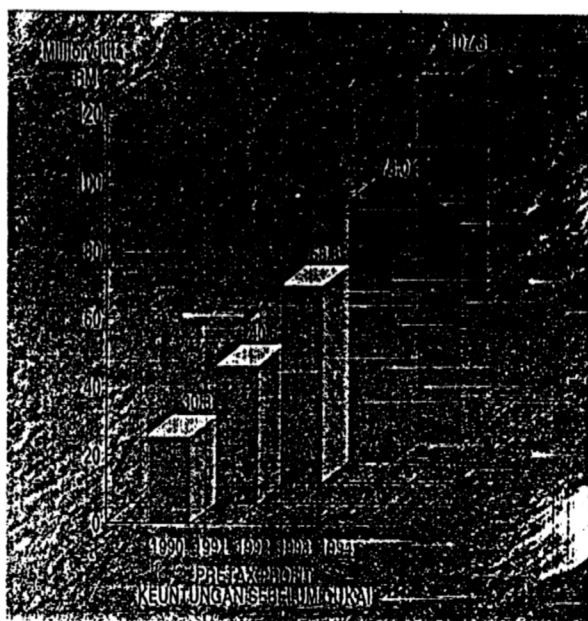
► Melibat kepada keputusan tahun kewangan berakhir 31hb Mac, 1994, AMFB telah mencatatkan prestasi yang membanggakan. Keuntungan sebelum cukai meningkat 37.9% menjadi RM107.6 juta berbanding RM78.0 juta pada tahun terdahulu. Oleh itu, perolehan kasar bagi setiap sabam meningkat 71.6 sen daripada 52.0 sen. Perkembangan pesat ini adalah hasil daripada keadaan ekonomi yang cergas dan disempurnakan pula oleh strategi pemasaran Syarikat yang bijaksana, pemusatan

usaha, pengurusan perniagaan dan polisi-polisi pentadbiran aset dan kredit yang berkesan.

► Jumlah aset berkembang RM1.6 bilion daripada RM5.9 bilion menjadi RM7.5 bilion, iaitu kenaikan sebanyak 26.4% berbanding dengan purata industri pada 15.2%. Pinjaman dan pendabuluan mencatatkan kenaikan 23%, menjadi RM5.3 bilion melepasi tabap RM5 bilion.

► Tumpuan Syarikat dalam tahun 1993 ialah kepada pertumbuhan sektor dan subsektor industri pengeluaran.

"Jumlah Aset industri ini meningkat daripada RM54.9 bilion dalam tahun 1992 kepada RM63.3 bilion dalam tahun 1993..."



standing the increase in the Company's loan
-performing loans have experienced a
nd, thanks to the healthy economy and an
y on loans supervision and rehabilitation. In
he Company has ensured adherence to the
guidelines

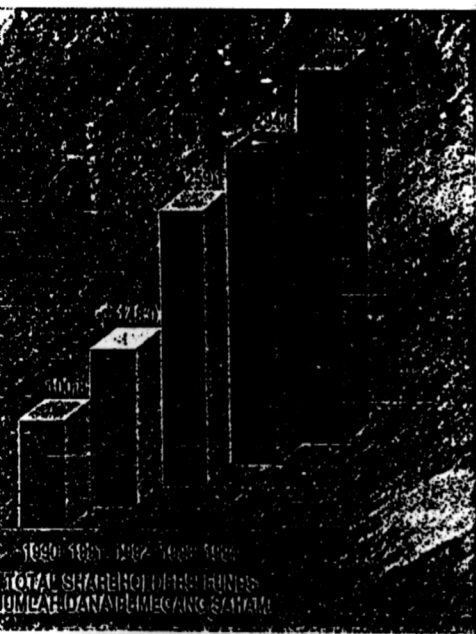
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year.



AMFB provided a Credit Facility for Luxor Holdings Berhad - Encik Azlan Zainal the then Managing Director of AMFB, exchanging documents with Mr Garry Yow Thin Wah, Group Managing Director, Luxor Holdings Berhad.

AMFB telah menyediakan kemudahan Kredit untuk Luxor Holdings Berhad. Encik Azlan Zainal, Pengarah Urusan AMFB bertukar dokumen dengan Pengarah Urusan Kumpulan, Luxor Holdings Berhad. Encik Garry Yow Thin Wah.



on weighted average shareholders' funds
% from 28.2 % the previous year.
tors recommend a dividend of 15% less tax
ial year and propose that RM36.5 million be
om net profits to Statutory Reserve.

PERFORMANCE

Company's Corporate Loans portfolio posted a
crease in business volume over the previous
Significant increases were recorded in Term
roperty loans as well as the Industrial Hire-
se and Bridging loan facilities. During the

year, the Company was involved in the financing
of many multi-million ringgit projects in the form of
term, bridging and end-financing facilities. These
projects ranged from the construction of tower
blocks and resort condominiums to the
development of industrial parks and to share-capital
acquisitions.

It was another good year for the Company's hire
purchase financing business which registered an
increase of 39% in new business done as against an



AMFB financed the machineries used in the manufacturing of claybricks at Claybricks And Tiles Sdn. Bhd. AMFB membiayai penggunaan mesin dalam pengilangan batu-bata di Claybricks And Tiles Sdn. Bhd.

industry growth of 7.7%. Helped by the total
uplifting of the lending restrictions on passenger
cars in January 1993, the Company's intensified
marketing strategies together with its extensive
dealer base and healthy dealer rapport, have
produced encouraging results in the Company's
core business.

- Property financing remains an active but cautious growth area for the Company.
- AMFB has also complied fully to all requirements set by BNM on lending to the priority sectors as at 31st March, 1994.
- The Kuala Lumpur stock market experienced a hive of activity in the first three quarters of the financial year. With share prices soaring to unprecedented heights, broking firms and companies offering share financing facilities were deluged by the investing public seeking share financing facilities. AMFB was no exception and its SMART (Share Margin Trading) facility registered record performance for 1993.
- In order to ensure adequate services and attention given to customers due to the sudden increase in activities, AMFB undertook a housekeeping exercise to consolidate its position to afford better control and administration of its portfolio. AMFB would also at the same time, continue to review and repackage its existing products to cater to the needs of its customers.

PENYATA PENERUS

- bimbingan dan perkhidmatan dengan rangkaian pelanggan daripada sektor-sektor runcit dan korporat.
- Penyeliaan ketat dan susulan kepada pinjaman tidak berbayar telah berjaya menurunkan volum pinjaman yang seumpamanya.
- Walaupun portfolio pinjaman Syarikat meningkat, pinjaman tidak berbayar mengalami aliran yang berturutan hasil daripada keadaan ekonomi yang cergas dan polisi penyeliaan dan pemuliharaan pinjaman yang berkesan. Dalam proses ini, Syarikat telah mematuhi garis panduan GP3 yang telah dipinda yang diterbitkan oleh Bank Negara Malaysia (BNM) berhubung penggantungan dan peruntukan faedah untuk pinjaman tidak berbayar.
- Walaupun kadar faedah lebih sederhana pada tahun tersebut, jumlah deposit terus meningkat pada kadar 27% menjadi RM6.8 bilion pada tahun kewangan yang ditinjau.
- Jumlah dana pemegang saham bagi tahun berakhir 31hb Mac 1994 ialah RM353.2 juta, kenaikan 19.8% berbanding tahun terdahulu. Pulangan ke atas purata perolehan dana pemegang saham AMFB juga meningkat kepada 33.4% berbanding 28.2% pada tahun terdahulu.



- Para Pengarah mencadangkan dividen 15% tolak cukai bagi tahun kewangan ini dan menganjurkan agar RM36.5 juta dipindahkan daripada keuntungan bersib kepada Rizab Berkanun.

PRESTASI PERNIAGAAN

- Portfolio Pinjaman Korporat Syarikat mencatatkan kenaikan 44% dalam volum perniagaan berbanding tahun terdahulu. Kenaikan pesat telah dicatatkan dalam Pinjaman Berjangka dan Pinjaman Harta Tanah serta kemudahan Pinjaman Sewa Beli Perindustrian dan Penyambungan. Dalam tahun tersebut, Syarikat telah terlibat dalam pembiayaan pelbagai projek yang bernilai berjuta-juta ringgit dalam bentuk

kemudahan pembiayaan akhir, penyambungan dan berjangka. Projek-projek ini terdiri daripada pembinaan blok-blok menara dan kondominium perumahan tinggalah ke pembangunan kawasa perindustrian dan pemilikan modal sabam. Urus niaga pembiayaan sewa beli sekali lagi mencatatkan tahun kejayaan bagi Syarikat dengan kenaikan 39% dalam perniagaan baru berbanding



AMFB financed the construction of a cargo ship 'Sin Bee II' in Miri, Sarawak for Ajang Shipping Sdn Bhd. AMFB membiayai pembinaan sebuah kapal kargo 'Sin Bee II' di Miri, Sarawak untuk Ajang Shipping Sdn Bhd.

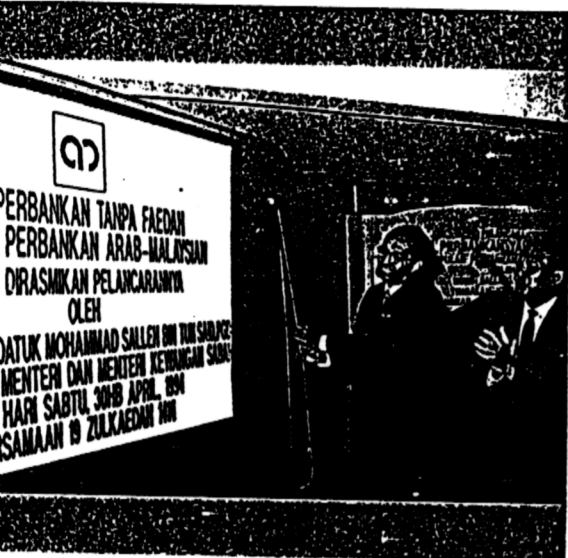
- pertumbuhan industri pada kadar 7.7%. Hasil daripada pembubaran larangan pinjaman untuk kereta penumpang dalam bulan Januari 1993, Syarikat telah menggembeling strategi pemasarannya dan bersama rangkaian pengeja yang luas dan bubungan yang baik dengan mereka, membolehkan urus niaga utama Syarikat mencatatkan keputusan yang membanggakan.
- Sekalipun pembiayaan harta tanah kekal aktif, Syarikat tetap berwaspada.

RM32 MILLION AL BAI' BITHAMAN AJIL FACILITY



AMFB participated in a joint-venture with Abi Construction Sdn Bhd under the Al-Musarakah Facility. From left: Abi Construction Sdn Bhd Director, Enick I Sabri bin Yaakob, Managing Director, Enick Mohd bin Abdul Rahman, AMFB Chairman, Tan Sri Dato' Azman Hashim and the then Managing Director, En. Azlan Zainal at the signing. Usaha sama di antara AMFB dan Abi Construction Sdn Bhd di bawah Keaja Al-Musarakah. Dari kiri: Pengarah Abi Construction Sdn Bhd, Enick I Sabri bin Yaakob, Pengarah Urusan, Enick Mohd bin Abdul Rahman, Pengarah AMFB, Tan Sri Dato' Azman Hashim dan Pengarah Urusan ketika itu, En. Azlan Zainal, di majlis menandatangani perjanjian.

Company was among the first finance companies in the country to introduce Skim Perbankan Tanpa Faedah (SPTF) or Interest-Free Banking Scheme in August 1993. Services offered are in the form of Al-Wadiah (Savings Account), Mudharabah (General Investment Account) and Pembiayaan Thumma Al-Bai (Motor Vehicle Financing). These were quickly followed by the Bai' Bithaman Ajil (House and Property Financing) and Al-



Banking Scheme launched in Sabah - YB Datuk Mohamed bin Sallen, Sabah Deputy Chief Minister and State Minister of Finance, looking on as Dato' Azlan Hashim, Minister of International Trade and Industry, launches the scheme. Looking on is Dato' Azlan Hashim, Menteri Perdagangan Antarabangsa dan Industri. YB Datuk Mohamed bin Sallen, Timbalan Ketua Menteri merangkap Menteri Kewangan Sabah sedang melancarkan skim tersebut, disaksikan oleh Dato' Azlan Hashim.

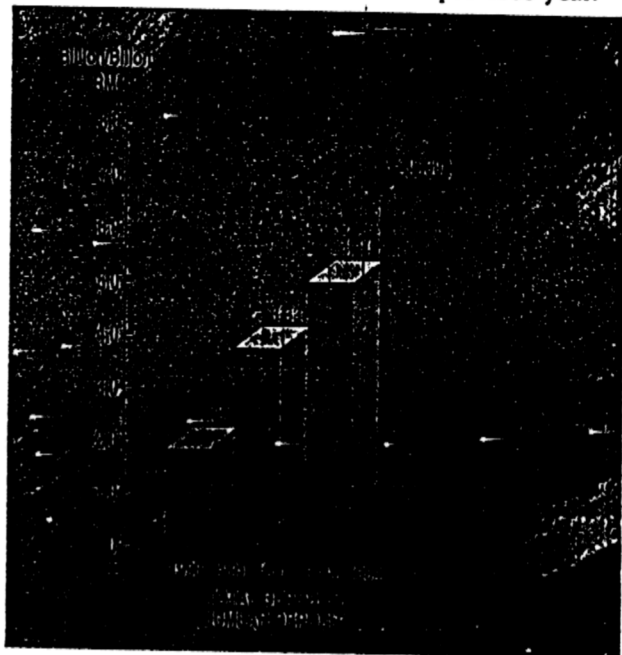
Project Financing and Share Financing (Special Bumiputera Issue Allocations) allocated by the Ministry of International Trade and Industry. In August 1994, the Company has 59 branches nationwide offering the various SPTF loan products. More branches are expected to offer SPTF products in the coming months.

The Company further extended its services in March 1994 to offer loans to hawkers and petty traders under the Loan Fund For Hawkers and Petty Traders organised by the Credit Guarantee Corporation Bhd. This is in support of the Government's effort to ensure greater access to credit at a reasonable cost for these business groups who have in the past experienced difficulty in obtaining their business needs.

Y

The Company continued to move ahead in its funding and was especially active in the trading of Government Securities and gapping activities, while repurchases and the repurchasing of agreements were dominant.

► The Company's extensive branch network of 73 provided access to tap for deposits particularly in areas where deposit-taking institutions are few in number. For the year just ended, total deposits and placements from customers and financial institutions grossed RM6.8 billion, up 27% from RM5.4 billion the previous year.



Savings deposits in particular, registered a mammoth growth of 54% to RM412 million from RM267 million.

INFORMATION TECHNOLOGY

► The Company's heavy commitment and investments in Information Technology is beginning to pay dividends with the automation of all its major functions including more recently the Hire Purchase System on a nationwide basis. This has not only enhanced customer services whereby hirers can now make payments or enquiries into their accounts at any of our branches, but it has also significantly reduced the tedious administrative chores associated with hire-purchase financing. This is further induced by the fact that the Company has been able to reduce total staff strength by the redeployment of staff.

► In ensuring customer convenience, the Company has committed another 15 Automated Teller Machines in addition to the 45 currently installed at branches in all major towns throughout the country.

PENYATA Pengerusi

- AMFB juga telah menurut keperluan BNM berhubung dengan pinjaman kepada sektor-sektor utama pada 31hb Mac, 1994.
- Pasaran saham Kuala Lumpur mengalami pertumbuhan aktiviti yang pesat pada tiga suku pertama tahun kewangan. Apabila barga saham melambung ke tahap paling tinggi, firma-firma broker saham dan syarikat-syarikat yang menawarkan kemudahan pembiayaan saham telah dilanda limpahan permintaan kemudahan pembiayaan saham daripada pelabur-pelabur awam. AMFB melalui kemudahan SMART (Akaun Perdagangan Margin Saham) telah mencatatkan prestasi di luar dugaan pada tahun 1993.
- Untuk menjamin perkhidmatan yang mencukupi dan menyeluruh kepada para pelanggan akibat peningkatan mendadak dalam aktiviti, AMFB melaksanakan kaedah pengurusan dalaman untuk mengukuhkan lagi kedudukannya bagi meningkatkan kawalan dan pentadbiran portfolionya. Dalam masa yang sama, AMFB juga sentiasa mengkaji dan menyusun semula produk yang sedia ada untuk kepentingan para pelanggannya.
- Syarikat merupakan salah sebuah daripada syarikat kewangan pertama di negara ini yang memperkenalkan Skim Perbankan Tanpa Faedah (SPTF) pada bulan Ogos 1993. Perkhidmatan yang ditawarkan berbentuk Al-Wadi'ah (Akaun Simpanan), Al-Mudharabah (Akaun Pelaburan Am) dan Al-Ijarah Thumma Al-Bai (Pembiayaan Kenderaan Bermotor). Kemudian diikuti oleh Bai Bitbaman Ajil (Pembiayaan Harta Tanah dan Pertumbuhan) dan Al-Musarakabah (Pembiayaan Projek dan Pembiayaan Saham untuk Terbitan Khas Bumiputera yang diperuntukkan oleh Kementerian Perdagangan Antarabangsa dan Industri). Sehingga bulan Ogos 1994, Syarikat menawarkan pelbagai pinjaman SPTF di 59 buah cawangannya di seluruh negara. Lebih banyak cawangan dijangka akan menawarkan kemudahan SPTF tidak lama lagi.
- Pada bulan Mac 1994, Syarikat telah mempelbagaikan lagi perkhidmatannya dengan menawarkan pinjaman kepada peniaga dan peniaga kecil di bawah Dana Pinjaman Untuk Peniaga dan Peniaga Kecil yang dikelolakan oleh Credit Guarantee Corporation Bhd. Ini adalah sebagai sokongan kepada langkah-langkah Kerajaan menggalakkan pemberian pinjaman pada kos yang rendah untuk kumpulan peniaga yang biasanya sukar membiayai keperluan perniagaan mereka.

PERBENDAHARAAN

- Syarikat terus melangkah ke hadapan dalam aktiviti pendanaannya dan bergiat aktif khususnya dalam niaga Sekuriti Kerajaan dan aktiviti pembiayaan manakala penerimaan deposit dan pengurusan perjanjian beli balik terus unggul.
- Rangkaian 73 buah cawangan Syarikat dapat menyediakan kemudahan untuk memperolehi deposit khususnya di kawasan yang kurang sekali terdapat institusi pengambilan deposit. Untuk tahun yang baru saja berakhir, jumlah deposit dan penempatan daripada pelanggan dan institusi kewangan meningkat kepada RM6.8 bilion secara kasar, meningkat 27% daripada RM5.4 bilion pada tahun terdahulu. Simpanan khususnya mencatatkan peningkatan besar-besaran pada kadar 54% menjadi RM412 juta daripada RM267 juta.



Batu Pahat Branch.
Cawangan di Batu Pahat.

TEKNOLOGI MAKLUMAT

- Komitmen dan pelaburan besar-besaran Syarikat dalam Teknologi Maklumat telah menampakkan hasil.



AMFB purchased a Connectivity Solution System from PDX Computers Sdn Bhd further upgrade its services for the benefit of its customer. From left: Mr Lim Kong, Pilecon Industries Managing Director, Dr Lim Jit Chow, PDX Managing Director, Dato' Azlan Hashim and Enck Mohamed Azmi Mahmood. AMFB membeli sebuah Sistem Perhubungan dari PDX Computer Sdn Bhd bagi memperkembangkan lagi perkhidmatan untuk manfaat para pelanggan. Dari Pengarah Urusan Pilecon Industries, Enck Lim Jit Chow, Pengarah Urus, PDX, Dr Lim Jit Chow, Dato' Azlan Hashim dan Enck Mohamed Azmi Mahu

dengan terlaksananya rancangan pengkomputeran semua fungsi utama termasuk yang terbaru, Sistem Sa Beli di seluruh negara. Ini bukan saja meningkatkan perkhidmatan pelanggan yang membolehkan penyuar beli membuat pembayaran atau memeriksa akaun mereka di mana-mana cawangan, malah telah mengurangkan lagi kesulitan kerja-kerja pentadbiran

DEVELOPMENT

g the call of the Minister of Finance, and at
e, meeting the needs of the business
he Company introduced Skim Perbankan
n, an interest-free banking scheme.
scheme which was initially offered at four
August 1993 has, by August 1994, been
59 branches. This facility will eventually be
of AMFB's branches.

RESOURCES

pany has for the first time in its history
reduction in its staff strength from 1,652 in
year to 1,546 but yet experienced a growth
n business volume and an increase in branch
s is the result of a reorganisation of the

various levels to

focus and

at the same time,

staff productivity

expansive

ion programme. The

s also in recognition

effort and

implemented an

Share Option Scheme

1993.

with the training and

programme provided

any throughout the

ere given opportunities

pecialised courses and

ning. It is the objective

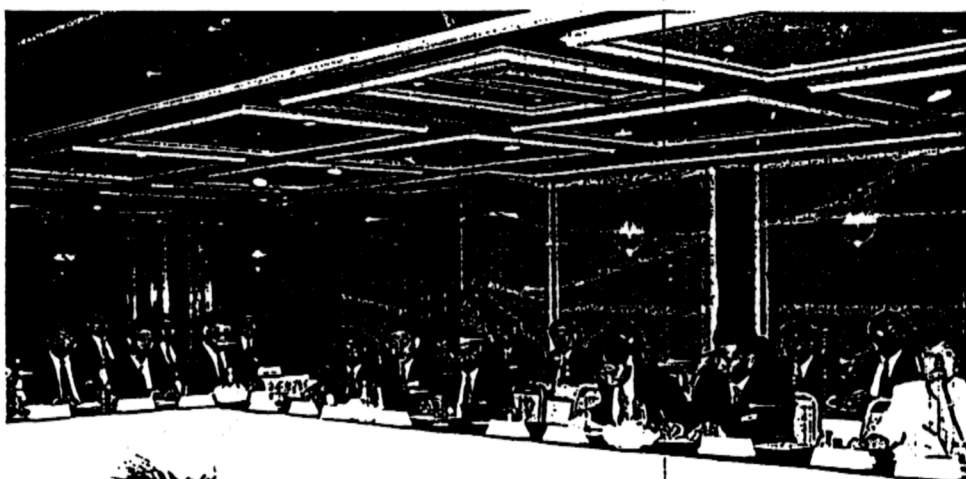
any's training

o ensure that staff at

adequately trained in

al and general know-

nance their work skills.



Head Office Executive Conference.
Persidangan Eksekutif Ibu Pejabat

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PENYATA PENERUS

berkaitan dengan pembiayaan sewa beli. Syarikat dapat mengurangkan lagi masalah ini dengan penyusunan semula tenaga kerja yang cekap.

► Untuk keselesaan pelanggannya, Syarikat telah memasang 15 buah lagi Mesin Juruwang Automatik sebagai tambahan kepada 45 buah mesin yang sedang beroperasi di cawangan-cawangan di bandar-bandar utama seluruh negara.

PEMBANGUNAN PRODUK

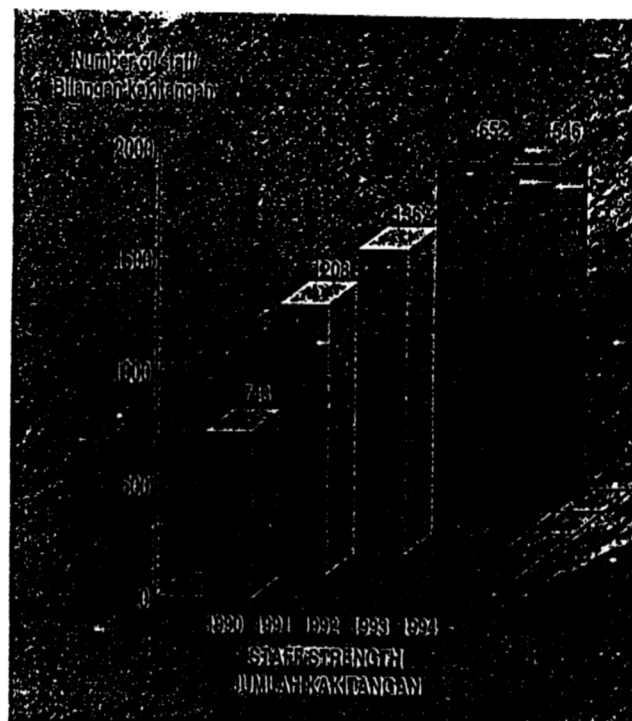
► Dalam menyaluti seruan Menteri Kewangan dan pada masa yang sama memenuhi keperluan kalangan perniagaan, Syarikat telah memperkenalkan Skim Perbankan Tanpa Faedab.

► Pada mulanya skim ini ditawarkan di empat buah cawangan pada bulan Ogos 1993 tetapi ditambah kemudiannya kepada 59 cawangan sehingga bulan Ogos 1994. Kelak, kemudaban ini akan ditawarkan di seluruh cawangan AMFB.

SUMBER TENAGA MANUSIA

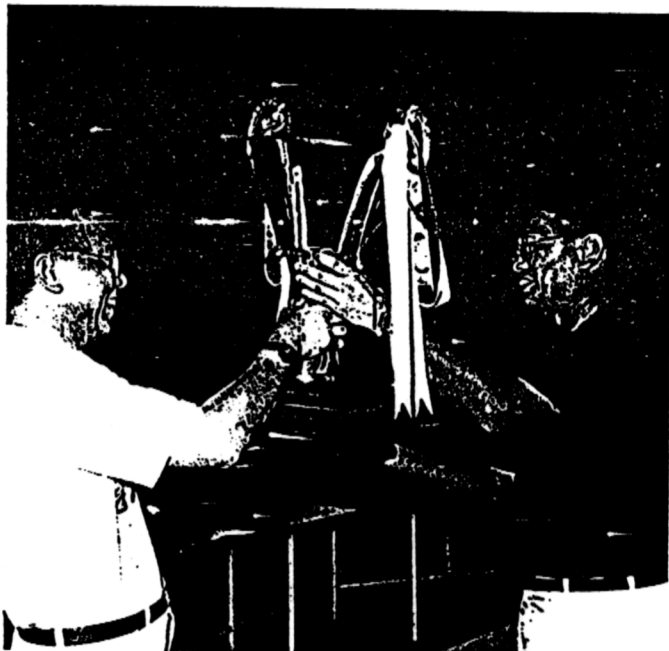
► Buat pertama kali dalam sejarahnya, Syarikat telah mencatatkan pengurangan tenaga kerja daripada 1,652 pada tahun terdahulu kepada 1,546 walaupun menikmati kadar pertumbuhan 23% dalam volum urus niaga serta pertambahan rangkaian cawangannya. Ini adalah hasil penyusunan semula Syarikat di pelbagai peringkat untuk meningkatkan kepayaan bertugas dan pada masa yang sama meningkatkan produktiviti kakitangan melalui program pengkomputeran yang meluas. Sebagai penghargaan terhadap usaha dan komitmen yang ditunjukkan oleh kakitangan, Syarikat telah melaksanakan Skim Opsyen Sabam Pekerja pada bulan Oktober 1993.

Selaras dengan program pembangunan dan latihan sepanjang tahun yang disediakan oleh Syarikat, kakitangan diberikan peluang untuk menyertai kursus-kursus yang khusus dan latihan di luar negara. Melalui program-program latihan ini, Syarikat berharap agar kakitangannya di pelbagai peringkat dapat dilatih dengan secukupnya dalam kedua-dua bidang teknikal dan pengetahuan am untuk meningkatkan kemahiran mereka.



CTIVITIES

Company encourages its staff to organise and participate in social and sporting events so as to help them develop healthy minds and healthy bodies. In the course of 1993/94, activities included: Inter-Finance Companies (IFC) Games 1993, where the Company secured a joint second placing in the second consecutive year and was the host; Sukan Arab-Malaysian 1993 or SUKARAMA, an annual sports carnival for the Arab-Malaysian community. The Company scored a double by emerging overall champion two years in a row; and Arab-Malaysian Banking Group Annual Dinner & Dance 1993, held to commemorate staff contribution and dedication towards achieving continued growth and progress. In addition, in an endeavour to assist staff in need, the Arab-Malaysian Finance Sports Club organised a fund-raising event for its Staff Welfare Fund, to assist members in dire need of financial assistance due to natural disasters or accidents. As part of the fund-raising activities, the Club sold T-shirts, greeting cards and cookies in conjunction with the festive seasons.



AMFB emerged champions at Sukarama 1993. Encik Mohamed Azmi Mahmood receiving the "Tan Sri Dato' Azman Hashim trophy" from the Chairman, Tan Sri Dato' Azman.

AMFB muncul sebagai juara dalam Sukarama 1993. Encik Mohamed Azmi Mahmood menerima "Piada Tan Sri Dato' Azman Hashim" daripada Pengerusi Tan Sri Dato' Azman.



Treasure Hunt - Encik Abdul Halim Abdul Hamid, Sports Club organising off a participant.

Tharta Karim - Arab-Malaysian - President Kelab Sukan. Encik Abdul Halim - Peserta.



A sketch performed by AMFB at the Group's Annual Dinner & Dance.

Satu sketsa persembahan AMFB di Majlis Makan Malam Tabung Kumpulan.

AKTIVITI KAKITANGAN

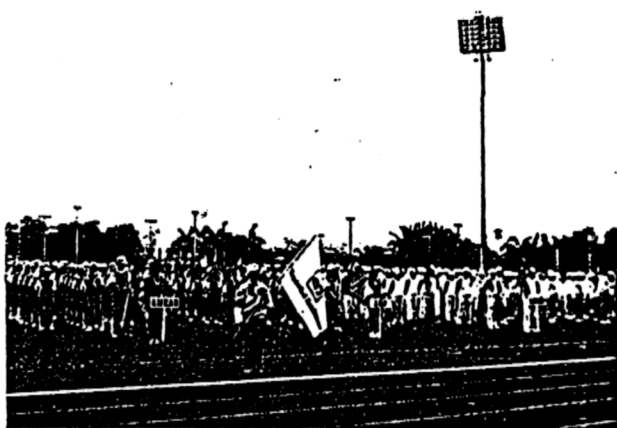


Sukarama Champions.
Juara Sukarama

menjamin agar kakitangannya membina yang sibat dan perwatakan yang cerdas, Syarikat lakukan penglibatan aktif dalam aktiviti-aktiviti sukan. Dalam tempoh 1993/94, aktiviti-aktiviti termasuk:

menjadi tuan rumah kepada Sukan Antara Syarikat Kewangan 1993. Syarikat telah berkolaborasi dengan empat kedua untuk tabung kedua berturut-turut; Sukan Arab-Malaysian 1993 atau SUKARAMA, pesta sukan tabungan untuk Kumpulan Arab-Malaysian. Syarikat telah muncul juara keseluruhan bagi tabung kedua berturut-turut; dan Majlis Tari dan Makan Malam Tabungan Kumpulan Perbankan Arab-Malaysian 1993. Diadakan sebagai mengenang jasa, sumbangan dan dedikasi kakitangan dalam mencapai pertumbuhan yang berterusan.

Salah satu sebabnya membantu kakitangan yang kurang berkemampuan. Kelab Sukan Arab-Malaysian Finance telah mengadakan kempen menderma untuk 'Tabung Sukan Kakitangan' bagi membantu abli-abli yang berkemampuan baik bantuan kewangan, alat, bencana alam atau kemalangan. Sebagai penghargaan daripada aktiviti menderma ini, Kelab telah mengadakan kemeja-T, kad-kad ucapan dan kuib-muib pada musim perayaan.



Participants in full uniform at the Sukarama.
Peserta-peserta yang berpakaian seragam di Sukarama

"AMALKAN BUDAYA IKRAM KE ARAH MASYARAKAT PENYAYANG" MAJLIS KERAIAAN ANJURAN BERSAMA



AMFB and Restoran Seri Melayu jointly organised a party for orphaned children and most active Savers' G. A. N. G. accountholders in the Klang Valley - Minister of National Unity and Community Development, YB Dato' Napsiah Omar cutting the birthday cake with the "May babies". Flanking her are, from left: Encik Azlan Zainol, Tunku Arishah and Tan Sri Dato' Azman.

AMFB dan Restoran Seri Melayu telah mengadakan majlis untuk Anak-anak Yatim dan pemegang akaun G. A. N. G. Penyimpan yang paling aktif di Lembah Klang - Menteri Perpaduan Negara dan Pembangunan Masyarakat, YB Dato' Napsiah Omar, di upacara memotong kek barajadi kemak-mamak yang meraiikan barajadi mereka pada bulan Mei. Di sisinya ialah, dari kiri: Encik Azlan Zainol, Tunku Arishah dan Tan Sri Dato' Azman.



AMFB's team which participated in the 1993 Inter-Finance Companies Games.
Pasukan AMFB yang mengambil bahagian dalam Pertandingan di antara Syarikat-syarikat Kewangan 1993

THE COMMUNITY

our continued commitment in caring for the fortunate, the Company has, during the year, cash and kind to welfare funds and set up for charitable purposes.

Contributions made by the Arab-Malaysian include donations to Pertubuhan in Malaysia, Yayasan Usahawan Bumiputera, Centre, Tabung Yayasan Karyawan and for Construction of Low-Cost Houses in the 1994 Budget by the Finance Minister in 1994.

The Company also played its part in promoting sports, by sponsoring the Malaysia Volleyball Association's organisation of the 1994 National Volleyball League.



The Malaysia Volleyball Association 1994 Malaysian Volleyball Association. Tan Sri Dato' Azman Hashim presenting a mock cheque to the Minister of Arts, Culture and Heritage, Dato' Sabharwal Chik. Looking on, from left is Mr Lam Guan Keng, General Manager, and utmost right is the League's Organising Committee, Peng Chong.

Pengantar kepada Liga Bola Tampar 1994 Persatuan Bola Sepak Malaysia. Tan Sri Dato' Azman Hashim menyerahkan cek contoh kepada Dato' Sabharwal Chik. Sedang melihat, dari kiri adalah Pengurus Besar AMFB, Encik Lam Guan Keng dan paling kanan adalah Liga, Dato' Lam Peng Chong.

S

well placed to benefit from the new growth in an expanding economy, as its dominant market position of being the finance company in the industry, in terms of its assets and shareholders' funds.

With the forecast of double-digit loan growth in manufacturing, construction and commerce over the next two years, there would be a significant expansion in AMFB's loan portfolio, extending to these sectors.

The Company will continue to be active in the areas of financing, particularly in hire-purchase, leasing, and housing loans. With its well-planned strategies and an aggressive marketing team, the Company is positioned to capture the growing

consumption credit market as consumer spending rises.

► AMFB will also exploit to the fullest, its extensive branch network, to garner deposits. With the growing number of branches offering SPTF deposit products, AMFB is confident that its deposit customer base will continue to strengthen.

► AMFB is looking forward to what promises to be another good year.

APPRECIATION

► On behalf of the Board, I wish to express my gratitude and appreciation to all our staff for their invaluable contribution in making the Company's performance a more profitable one.

► The Board wishes to welcome Y.A. Bhg. Tun Mohammed Hanif bin Omar, who has joined us as an Independent Director with effect from 29th June, 1994. We also wish to record our appreciation to Encik Azlan Zainol, who has been transferred to Arab-Malaysian Bank Berhad, to assume the post of Managing Director with effect from 1st August, 1994. Encik Azlan had served both as Executive and Managing Director of AMFB since 1982 and has steered this Company to become one of the leading finance companies in Malaysia. We would also like to welcome Encik Mohamed Azmi Mahmood as the new Managing Director of AMFB. Prior to his appointment, Encik Azmi was Senior General Manager of the Company.

► I would also like to thank the authorities, particularly the Ministry of Finance and Bank Negara Malaysia, for their assistance and advice, and to our customers and shareholders for their continued support.

Tan Sri Dato' Azman Hashim
7th September, 1994.

Rashid Hussein Berhad, 1994

I am pleased to report to shareholders that the RHB Group, in entering just its second decade of operations, has once again turned in a record profit which is more than double the previous record achieved last year.



“Greater emphasis is being placed on retail business to diversify the income base”

OPERATIONS The Group's pretax profit for the year under review amounted to RM309.4 million or a 117% increase over the RM142.4 million reported for 1992/93. The principal operating subsidiary, Rashid Hussain Securities Sdn Bhd, turned in excellent results due mainly to the surge in activity on the Kuala Lumpur Stock Exchange where

unprecedented daily trading volumes of nearly one million shares were witnessed on several occasions during the course of the year. Similarly, the Group's 51% owned subsidiary in Malacca, Straits Securities Sdn Bhd, achieved a significant improvement in profit to RM21.5 million from just RM7.9 million last year. In Singapore, overall stock market conditions were also buoyant which enabled our 49% owned associated company, RHB-Cathay Securities Pte Ltd, to make an improved contribution of RM13.5 million to Group profit.

Greater emphasis is being placed on retail business to diversify the income base and the Group is gradually increasing its remisier strength to be better positioned in the market place. To enable us to serve our larger number of clients better and maintain our competitive edge, a state-of-the-art Electronic Investor Services package will be

introduced in stages from September 1994 to enable clients to obtain information on the stock market and to monitor their accounts via their home telephones or computers on a real-time basis.

The banking industry's performance improved significantly during the year in line with the continued strength of the Malaysian economy.

The Development & Commercial Bank Group was well positioned to capture a good share of this growth and increased its contribution to RHB's results by 55% to RM45.3 million.

The synergy between RHB and the banking group worked particularly well for the merchant banking arm, D&C Sakura Merchant Bankers Berhad, which saw its profit doubling to RM50.1 million on the back of an increasing market share in the corporate and financial advisory services sector.

The newly renovated Customer Service Department of Rashid Hussain Securities demonstrates continuous commitment to excellent customer service

The unit trust management business staged a remarkable upturn. DCM-RHB Unit Trust Management Berhad achieved a profit of RM3.9 million compared to a loss of RM1.0 million previously. Its first fund, the DCM-RHB Dynamic Fund comprising 100

asset management offering a wider variety of investment opportunities and returns to clients are developed..... ■ ”



million units, is almost fully taken up. In the wake of burgeoning sales, plans are afoot to launch a second fund in the last quarter of 1994.

The Development & Commercial Bank Group has announced a proposed reorganisation scheme which will place the Bank and its major operating subsidiaries under a

holding company and bring
an injection of funds to put
structured Group in a much
er position for future growth.
area of asset and fund
gement, I am pleased to report
ashid Hussain Asset
gement Sdn Bhd achieved yet
er increase in the amount of
s managed to reach a significant
1 billion at the end of May 1994
ng it the biggest private
ger of funds in Malaysia. New
management products aimed at
ing a wider variety of
stment opportunities and better
ns to clients are being
eloped for introduction in the
financial year.
continue to place strong
phasis on effective, quality
earch in our quest to remain as
leading capital market specialist
Malaysia. Competition has
ainly intensified over the last one

year as many other broking houses
set up or expanded their local
research outfits. In spite of this
development, I am pleased to note
that RHB Research Institute Sdn Bhd
remains highly regarded by the
investment community and is
consistently featured among the top
three research houses in Malaysia in
annual international surveys.

The Property Division's scope of
business was further widened with
the takeover of the management of
the Putra World Trade Centre
Complex in Kuala Lumpur from
October 1993. The Division was also
active in managing the construction
of the RHB Centre which is
scheduled for completion in mid
1995. The existing RHB 1, which will
be integrated into the new RHB
Centre, achieved full occupancy
during the year.

I am also pleased to inform
shareholders that the Group is

Rashid Hussain
Asset
Management is a
significant channel
for the
mobilisation of
institutional and
private funds for
investment in the
Malaysian capital
market

expanding into Indonesia and a wholly owned subsidiary, RHB Capital (Jersey) Limited, has entered into a joint venture agreement to form a new stockbroking firm in Jakarta in which the group will have a 51% controlling interest.



“We place strong emphasis on effective quality research in our quest to remain as the leading capital market specialist in Malaysia ■”

The relevant approvals are currently awaited for the company to commence operations. Indonesia's capital market is in an early stage of development and this timely move by the RHB Group will enable it to contribute to and share in the growth of this sector of the rapidly developing nation.

SHARE CAPITAL During the year, the issued and paid-up share capital of the Company was increased from RM254,291,100 to RM264,777,050 by the issue of 9,031,950 ordinary shares upon the exercise of Transferable Subscription Rights at the subscription price of RM2.15 per share and the issue of 1,454,000 ordinary shares pursuant to the Employees Share Option Scheme at the option price of RM2.20 per share.

DIVIDENDS Your Board is pleased to recommend a first and final dividend of 10% less income tax of 32% which will result in a total net dividend payment for the year of RM18.0 million, an increase of 43% over the RM12.6 million paid in respect of the last financial year. This represents the third year of increase in the dividend payment which reflects the growth in Group profit whilst at the same time, ensuring that adequate funds are retained for future growth.

BOARD OF DIRECTORS Messrs Seah Fook Chin and Chartchai Sae Pusavat were appointed to the Board on 23 December 1993 and 5 May 1994 respectively while Mr. Ooi Sang Kuang resigned from the Board on 30 June 1994. The Board wishes to record its appreciation to Mr. Ooi for his contributions to the Group during his period of service. Subsequent to the financial year end, Dato' Zulkifli bin Abdul Rahman and Encik Mohamad Abdul Halim bin Ahmad were appointed as additional Directors and I am pleased to take this opportunity to welcome them to the Board.

AUDIT COMMITTEE Encik Mohamad Abdul Halim bin Ahmad, Encik Abdul Karim bin Ahmad Tarmizi and Dato' Zulkifli bin Abdul Rahman form the Audit Committee which has been set up under the terms of reference contained in pages 6 and 7 of this Annual Report.

EMPLOYEES I would like to express my sincere appreciation to all staff for their hard work and dedication throughout the year and it has been due to such exemplary qualities and work attitudes which have enabled the

the outlook for corporate
growth is encouraging
the local stockmarket
performance will also be dependent
investor sentiment ■ ”



Group to cope well with the tremendous increase in trading activity and achieve the substantial growth in profit. I have always been pleased with the professionalism and integrity of the Group's employees and I look forward to their continued support as we face even greater challenges in the years ahead.

PERSPECTS The Malaysian economy continues to expand at a steady rate with real GDP growth of 8.5% achieved in the first quarter of 1994. For the year as a whole, growth is estimated at 8.5%, maintained by strong domestic demand and exports as the current recovery in the major world economies gain strength. Inflation, however, remains a matter of concern although recent data released by the Government indicates that this is well under control. Under such circumstances, the outlook for corporate earnings growth is encouraging although the overall stockmarket performance will continue to be largely dependent on investor sentiment and their perception of Malaysia in comparison with other rapidly developing economies. There has been a slowdown in share trading activity on both the Kuala Lumpur Stock Exchange and the Stock Exchange of Singapore since January

1994 but I am confident that the Group will continue to do well in the current financial year given the various diversification efforts currently in place and the strong economic fundamentals prevailing in this region.

APPRECIATION On behalf of the Board of Directors, I wish to thank our clients, bankers and shareholders for their support and confidence in the Group. The Board also wishes to extend its appreciation to the various authorities, including the Securities Commission and the Kuala Lumpur Stock Exchange, for their guidance and assistance throughout the year.

TAN SRI DATO' ABDUL RASHID HUSSAIN
Executive Chairman

29 July 1994

All dealers and remisiers are well trained to provide a comprehensive range of stockbroking and capital market services to clients

Chairman's Statement on the Results for 1975

The following statement was issued on 10 June 1976 when the preliminary results for 1975 were announced. The operations are reviewed in detail on pages 26 to 29.

1975 was the tenth anniversary year of The Guthrie Corporation Ltd. Without doubt, it was the most difficult trading year in the Corporation's short history. Nevertheless, the Group emerged stronger, better balanced and more cohesive than at any time in the past decade.

Naturally, there are problems remaining, particularly in our European Region, and I would not wish to minimise them. However, it would be equally wrong to minimise the progress made, and the very real achievements of other parts of the organisation, and I propose to open my review with some of the successes of 1975.

The success of Trench Electric, a subsidiary of Mindustrial Corporation operating in a specialised high-technology field and serving a world-wide market from its base in Canada, and the prospects of growth in the economy of the USA, led us to seek a similar enterprise in the US operating in another specialised field and also serving a world market. After an extensive period of investigation, analysis and negotiation, Ajax Magnethermic Corporation of Warren, Ohio, a company quoted on the American Stock Exchange, was acquired.

Ajax is the leading US manufacturer of induction heating and melting equipment selling to manufacturers and users of steel and non-ferrous metals. The company has a world-wide reputation for advanced induction technology and for the quality and reliability of its equipment.

Ajax has benefited from the continuing pressures on energy supply and usage and the concern about pollution, especially in the United States, and the changes of fuels and equipment resulting therefrom. In spite, therefore, of the conditions of recession prevailing in the USA, Ajax marginally improved sales and profits in 1975 by comparison with 1974. Its results are included in the Corporation's consolidated accounts only for the period from 10 August 1975, the date of completion of the acquisition, but they provided, even after the cost of financing the acquisition, a useful contribution to the Corporation's earnings for the full year.

The company has a sound order book, and good prospects. The management, which remains with the company, has strength in depth and a professional approach to all aspects of the business.

Mindustrial in Canada and the United States of America. As I reported last year, Mindustrial Corporation, which traditionally has operated in Canada, acquired at the end of 1974 a major subsidiary in the USA - Water Refining Inc, of Middletown, Ohio. Combined with Sovereign Water Conditioners in Ontario (now renamed Water Refining Co. Limited) the acquisition has given the Corporation a solid market position in domestic, commercial and industrial water treatment in North America.

Trench Electric, serving generating installations in many parts of the world, Butler Metal, primarily metal-stampers but also developing plastics for automobile and domestic appliance usages, and the Water Refining businesses, together with Ajax, comprise a powerful Guthrie interest in the North American continent.

Prospects for Mindustrial are favourable, and again this year, as I did last year, I point to North America as the most promising area of profitable expansion during the next decade.

Sanyo-Guthrie in Australia

In spite of the politico-economic problems of Australia in 1975, Sanyo-Guthrie had an outstanding year.

In both audio equipment and colour television, Sanyo-Guthrie achieved an unrivalled reputation for quality and value for money. Sales more than doubled and profits nearly quadrupled.

While the market for colour television in Australia is becoming more competitive, Sanyo-Guthrie is expanding sales of its broad range of audio and domestic household products, and continues to prosper.

I pay tribute to the management of the company, and to our partners, the Sanyo Electric Trading Co. Again, constructive co-operation between the partners has been a vital factor in the success of this enterprise.

International Trading

International Trading comprises primarily our commodity dealing, and European and African confirming and trading businesses. It was formed out of a mixed bag of Corporation and Guthrie & Co. (UK) interests in 1974 - some of which had a history of success but others of which had less than satisfactory records. Some of the latter have been disposed of and those that have been retained have been shaped by strong management into viable units, whose profits improved considerably in 1975. Guthrie (Nigeria) had a particularly good year.

CHAIRMANS' STATEMENT



Dato' Mohd. Ali Haji Hashim
Chairman

I am pleased to present to the Shareholders the results achieved by the Group in respect of the financial year ended 31st December 1991. The year under review witnessed the relatively strong prices of palm products boosted by strong consumers' demand as a result of wider acceptance of palm oil in the world edible oils and fats market. This was further supported by the landmark decision by the US Food and Drug Administration in November 1991 in withdrawing the ruling on 'No palm oil, no cholesterol' labels on food products.

Results

The Group profit before taxation and minority interests obtained for the financial year ended 31st December 1991 at \$16.33 million was a slight improvement of 2.3% over the profit of \$15.96 million obtained in 1990, largely the result of higher commodity prices, particularly the prices of crude palm oil obtained in

1991. The profits would have been higher had it not been for the lower investment income which registered a substantial decline of \$2.35 million to \$669,000 whilst the interest expense on short-term loan and overdrafts increased by \$780,000 to \$4.12 million in 1991.

Although the profits derived from the rubber processing subsidiary suffered a drop to \$27,000 in 1991, the property development subsidiary was able to offset this dismal performance by recording an impressive profit of \$3.48 million as compared to a profit of \$18,500 in 1990.

At \$105.94 million, the Group turnover obtained in 1991 is an increase of \$25.07 million or 31% over the corresponding period in 1990. Higher prices obtained from palm products had resulted in the substantial increase of turnover for 1991. Indeed the average price of crude palm oil obtained for 1991 at \$821 per tonne was an improvement of \$112 per tonne over the average price of \$709 obtained for 1990. This is in spite of the average price of palm kernels obtained for 1991 at \$414 per tonne being slightly lower than the price of \$420 per tonne obtained for 1990. Besides commodities, turnover in the property development subsidiary for 1991 had more than doubled to \$6.61 million from \$3.23 million in 1990.

Plantations

The production of oil palm fresh fruit bunches ("ffb") from the Group estates declined marginally by 4.8% to 289,517 tonnes in 1991, as compared to the record crop of 304,229 tonnes obtained in 1990, with the corresponding decrease in the yield from 19.17 tonnes per hectare per annum in 1990 to 18.17 tonnes per hectare per annum in 1991. The drop in the oil palm ffb yield was mainly attributable to the adverse weather conditions and the stress factor on the palms brought about by the high yields experienced previously.

Due to replants, the latex production from the Group's estates in 1991 decreased by 30,500 kgs to 826,742 kgs from 857,200 kgs in 1990. The yield had, however, improved to 1,422 kgs per hectare per annum as compared to the yield of 1,336 kgs per hectare per annum in 1990.

the widespread damage caused by cocoa coupled with the low cocoa prices and of a price recovery, the Board has decided to the cocoa planting during 1991 with the significant production of cocoa at 4,071 compared to the production of 43,400 kgs in

announced recently, the Board has decided to the approximately 400 hectares of cocoa in Nam Heng Complex, Kota Tinggi with banana. I shall elaborate later in this



at Kulim Commercial Farm

Processing

Depressed rubber prices, especially those of concentrate, Ulu Tiram Manufacturing (M) Sdn Bhd was able to register a modest profit of 7,000 for the year ended 31st December 1991 compared to the profit of \$737,500 obtained in the 1990 financial year.

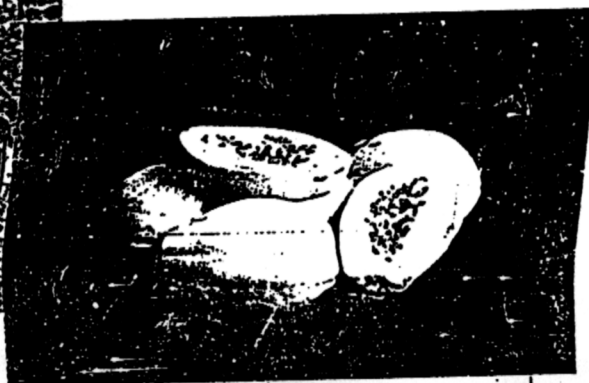
Development

As stated in my last year's review, the successful "Green Plains" housing project, the one-acre free country style of living, had indeed contributed to the overall improvement in the quality of life of Advance Development Sdn Bhd. The profit of \$3.43 million obtained by the company for the year ended 31st December 1991 is a notable achievement, especially when compared to the net profit of \$18,500 obtained for the 1990 financial year. I am very optimistic of the continued contributions from the "Green Plains" housing project in the coming years.

Fruits Cultivation

I have made mention in my last year's review of the 70-hectare pilot project involving cultivation of banana (mainly *Pisang Emas*), papaya (mainly *Exotica*) and carambola (starfruit). As the initial assessment of the project has proven to be viable, I am pleased to advise that the planted area has since been increased to 236 hectares. Your Directors and I are confident of the prospects of fruits cultivation as an alternative crop as replacement for both cocoa and rubber for planting in the southern part of Johor.

Indeed it is with this conviction that the Board has decided to venture into the commercial planting of cavendish banana on the 400 hectares ex-cocoa



Handwritten signature or logo.

area in Nam Heng Complex. Although the initial outlay will be high at \$16.95 million inclusive of both planting and infrastructure costs, I am confident that the payback period will be shorter than the conventional oil palm planting.

I am aware of the labour intensive nature of banana planting. However, various innovative means including a house ownership scheme for long-serving employees, will be considered in order to attract workers onto the banana cultivation area.

Dividends

A final dividend of 7.5 sen per share less tax at 35% has been recommended by the Directors for approval by the Shareholders at the forthcoming Annual General Meeting. Together with the 2.5 sen per share gross paid as an interim dividend, the total dividend amounts to 10.0 sen per share gross for the year ended 31st December 1991.

Handwritten signature.

Prospects

The crude palm oil prices have been sustained at above \$900 per tonne levels since the beginning of 1992 due mainly to low carry-over stocks of 687,400 tonnes and sustained consumer demands. However, as the oil palm yields move towards the high cropping months of April to September, the current price levels are not expected to be maintained. On the other hand, the growing conditions of other major oil seeds in the Americas as well as Europe will have an influence on prices. In any case, I am very optimistic that the industry's average price of crude palm oil obtainable for 1992 will be higher than the average price of \$836 per tonne obtained for 1991 on account of anticipated step-up demand for the commodity as a result of emerging greater consumer awareness of the highly nutritious quality inherent in palm oil, and the expanding market share of palm oil in the world's edible oils and fats complex through tireless promotion blitz in potential markets.

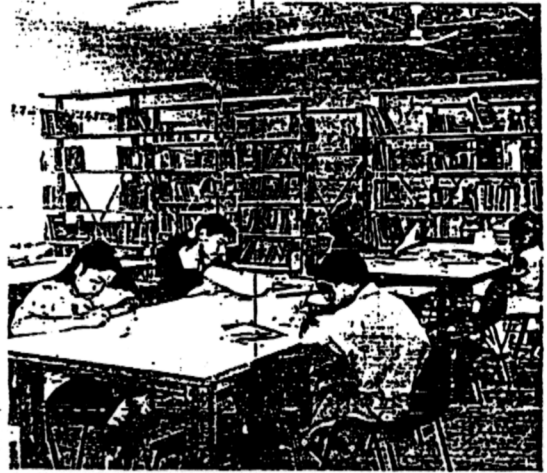
Promotional measures aside, the Government's decision to grant up to \$600 million credit facilities to the few targetted palm oil importing countries is a laudable move. It is anticipated that if such facilities are utilised by the targetted countries, a minimum of 1.5 million tonnes of palm oil will be guaranteed for export.

Meanwhile, the Group will continue with its relentless efforts in bringing about greater cost efficiency and higher productivity through stringent control measures and extensive mechanisation in the plantation as well as the palm oil mill operations. Modernising the agriculture sector as advocated in the recently revamped National Agriculture Policy shall be the task for all, no matter how daunting it may be.

With the car industry in most major producing nations expected to continue to languish, the natural rubber prices are not anticipated to record any significant recovery in 1992. The Group will, in the meantime, take steps to streamline the rubber processing operations in order to insulate any adverse impact the low rubber prices may have on the subsidiary's profitability.



Estates housing amidst clean & green surroundings



Library in an estate's housing scheme



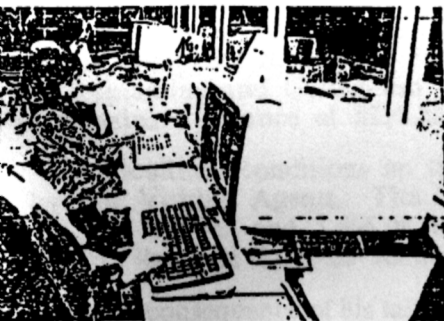
Versatile Badang in action

the current slowdown, I am optimistic of the
bullishness of the property market,
especially in southern Johor where the spin-offs of
growing economies of the Growth Triangle are
evident. In this connection, I am confident of
continued contributions from the Group's property
management subsidiary.

The "country home" concept launched under
"Green Plains" has, I believe, been able to exploit
this niche for a truly luxurious living in a clean



under construction in the "Green Plains"
project



information technology

country environment within the suburban
Johor Bahru region. In this context, it is only apt that
the basis of future housing development at Taman
Ulu Tiram will be towards country living amidst
the embrace of green and natural surroundings.

The construction of "Menara Kulim" or "The Kulim"
will commence upon the necessary approvals from
the various relevant authorities have been
obtained. This development on the "intelligent"
living concept is targeted for completion by end of

Human resources factor has always been one of
the most critical in any industry, more so in the case

of agriculture. It is, therefore, of paramount
importance that the welfare of the workers on the
estates be adequately looked after in order to secure
and retain the loyalty of the diminishing labour force
which is so acutely felt in the plantation industry,
particularly in southern Johor. In this regard, the
Group is equally committed to the Five-Year
Development Plan for Basic Amenities for the
Plantation Sector (1992 to 1996) signed recently
between the United Planters' Association of Malaysia
and the Human Resources Ministry.

The resilient Malaysian economy has culminated in
recording the world's highest Gross Domestic Product
growth of 8.8% for 1991, achieved on the back of a
relatively low inflation rate of 4.4%. The forecast by
the Central Bank of a 8.7% growth for 1992 depicts
the inherent dynamism of the well-balanced economy.
However, inflation remains the bane of any economic
growth and should, therefore, be curbed through
various appropriate monetary and fiscal policies.
Only a steady non-inflationary growth will propel
Malaysia smoothly towards achieving a fully
developed nation status by year 2020.



Directorate

I am pleased to announce the appointment of Encik
Ishak Mohd Sharif to the Board effective 2nd
September 1991. An experienced lawyer, I am sure
Encik Ishak will contribute to the general well-being
of the Group.

Management and Staff

Once again, I wish to congratulate the Management
and Staff of EPA Management Sdn Bhd and the
Group's employees for a job well done.

PERPUSTAKAAN
UNIVERSITI MALAYA

DATO' MOHD. ALI HAJI HASHIM
Chairman

Ulu Tiram, Johor
27th April 1992

KUNDONG TANJONG PAU COMPANY BERHAD

CHAIRMAN'S STATEMENT

The rubber and oil palm fruit production from the Company's two properties for the year ended 31st. December, 1980 amounted to 2,711,800 lbs. and 5,625 tonnes respectively.

The rubber crop was 5.63% lower than that for 1979 (2,873,600 lbs.) reflecting the reduction of mature acreage on Tanjong Pau Estate. The yield per mature acre was 1,331 lbs. as against 1,343 lbs. in 1979.

The oil palm fruit (FFB) harvested again increased satisfactorily from 985 tonnes in 1979 to 5,625 tonnes in 1980. Continued high yields per mature acre at 11.48 tonnes (1979 - 11.91 tonnes) and an increase in the mature acreage accounted for the rise in crop.

A higher average selling price for rubber and increased FFB crop and tax refunds received resulted in a 6.20% rise in the trading profit. Investment income also rose and the pre-tax profit amounted to \$2,177,548 compared to \$2,021,437 for 1979. Taxation increased to \$936,397 partly on account of an underprovision in respect of previous years, leaving a post-tax profit of \$1,241,151 or 1.08% better than 1979. There is \$101,469 shown as an extraordinary item, being the profit from a land acquisition by the Government and a land sale, both on Tanjong Pau Estate. This results in an overall profit after the extraordinary item of \$1,342,620 compared to \$1,254,497 for 1979, a rise of 7.02%.

In view of these improved results, your Directors propose a final dividend of 30%, less tax, making a total of 38% less tax, absorbing \$866,970 for the year; this compares to a total 36% for 1979. After the transfer of \$45,565 to the Replanting and Cultivation Reserve and \$400,000 to the Capital Reserve, there remains a balance of \$215,286 to be carried forward to next year.

Agricultural conditions on the two estates have been favourably reported on by our Visiting Agents. The first four months of 1981 have seen crops of 96,062 lbs. rubber and 1,655.08 tonnes FFB against estimates for the period of 717,818 lbs. and 1,460.00 tonnes respectively.

As a consequence of his taking up a position with the Singapore Government, Mr. Yong Pung-how retired from the Board with effect from 31st. March, 1981, having been a Director since the Company's formation in 1959. On behalf of the Board and the whole Company, I would like to take this opportunity of expressing our sincere debt of gratitude to Mr. Yong for all his help and advice over the years.

As announced in our Press Circular of 16th. February, 1981, the Company is currently involved in discussions with the Kedah State Development Corporation for the possible sale of Tanjong Pau Estate. As soon as there is anything definite to report, stockholders will be notified.

On behalf of the Board, I would like to convey our thanks to the Managers, staff and labour force for their contributions during the year. Our thanks also go to the Visiting Agents, Consulting Engineers and Agents for their continued guidance and assistance.

R.H.M. Lindesay
Chairman

70, Jalan Ampang,
Kuala Lumpur 04-05.
28th. May, 1981.

Chairman's Statement

ACCOUNTS

The crop for 1980/81 exceeded expectations and at 2,964,239 kg. was an increase of some 4% over that for the previous year. Despite an average rubber selling price about 2p per kg. lower, turnover, including oil palm fruit sales, of £1,519,229 and pre-tax profit of £675,906 were marginal improvements on last year's record figures. As a result of the lower selling price for rubber, export duty decreased by nearly 2p per kg., while production costs at estate level were well held. Our programme for replacement of ageing and less profitable rubber continued during the year as scheduled and cost £81,056. Tin tribute at £113,616 was a little lower than in 1979/80 but investment income showed a useful increase from £180,761 to £210,599.

After providing £366,739 for taxation in Malaysia and the U.K., equivalent to some 54 per cent. of the profit, there remains £309,167 for the year compared with £295,329 for 1979/80. The board recommend a final dividend of 3.5p per share, payable on 11th September 1981, making with the interim dividend a total distribution for the year of £206,563 or 5p per share (1979/80—same).

Capital expenditure during the year totalled £98,668, the main items being new factory equipment and new housing for our workers. Planting and upkeep of small new areas of rubber and oil palms cost £9,977.

Trade investments increased during the year by £62,377 and at the end of March 1981, including our associated company, were valued at £2,555,333 compared with a book cost of £342,331.

ESTATES

During-the-year 221 acres of young rubber planted in 1974 and 1975 reached maturity and 184 acres of old rubber were replanted, 149 acres with rubber and 35 acres with oil palms. 135 acres of old rubber are scheduled for replacement during the current year.

The Kinta Kellas factory was successfully recommissioned in January 1981 following installation of new equipment and is producing excellent quality crumb rubber marketed under the "Harub" trade name at a useful premium over ordinary grades.

TIN MINING

For many years the company has had the benefit of tin tribute from Kinta Kellas Tin Dredging Company, Limited and other miners at Kinta Kellas estate. In my previous statements, shareholders have been warned that this income will diminish as tailings areas are exploited and will cease entirely if our applications for renewal of leases are refused by government. The mining area involves 1,266 acres and leases in respect of 628 acres have already expired. No decision on applications for renewal has yet been received and meantime mining is continuing. These leases with a book value of £9,839 have now been written off in the accounts for 1981. The remaining mining leases are due to expire during the next two years and renewal is being sought.

PROSPECTS

Throughout the year the rubber market was dominated by world recession which particularly affected the tyre and automobile industries. Although the price of RSSI remained around M\$3 per kg. fob during the last nine months of 1980, the first quarter of 1981 has seen a gradual decline, extended in recent months to around M\$2.30. At this level, reports of Malaysian Government intervention reversed the downward trend, but consumers remain reluctant to hold stocks and although world supplies of natural rubber do not seem to be greatly out of line with demand, sentiment appears not yet ready for a sustained recovery in prices.

In the first three months of the current year to the end of June the crop harvested was 643,056 kg. compared with 638,210 kg. for the similar period in 1980. Although the long-term prospects for natural rubber seem good, present indications are that last year's record profit is unlikely to be maintained for the current year.

Taxation

The charge for taxation in the Accounts is again extremely high at 77% of the profit before tax.

This high rate of tax results from losses incurred by certain subsidiaries which were not available for tax relief against other group profits, and unutilised Advance Corporation Tax which has been written off.

Dividends

Last year advantage was successfully taken of the opportunity to offer shares as an alternative to cash dividends. This resulted in a substantial saving of cash, and of the ACT which would have been payable thereon if distributed as dividend. As a result of government legislation such scrip dividends are no longer of advantage to shareholders, but in view of the need to conserve liquid resources to finance current assets subject to inflationary pressures, the Board has concluded that it should recommend that the cash cost of dividends for 1975 should not be greater than the cost of last year's cash dividends (£1.935m).

An interim dividend of 3p per share (after last year's 1 for 5 capitalisation issue) was declared in January 1976.

A final dividend of 3.5p per share is now recommended. If this recommendation is accepted, the total cost of the interim and final dividends will be £1,868,000.

The year 1975 saw little relief of the conditions of world-wide recession to which I referred last year, and once again, my colleagues and I wish to express our gratitude for the loyalty, hard work and resilience of all members of the staff.

Future Prospects

Many uncertainties remain in the world today, and any assessment at this stage of the likely results for the full year must necessarily be subject to qualification.

For the Corporation, the main area of uncertainty continues to be the European Region. There is some indication that the corrective action which we have taken in the last two years has improved prospects of a return to profitability in Europe but, in the textile and related sectors in which for the most part we operate in that Region, there are as yet few signs of recovery from the extremely depressed conditions of 1975, either in the UK or on the Continent.

In North America, business confidence is growing. Mindustrial's first quarter performance (earnings per share of Canadian \$0.26 against a loss of \$0.15 in the equivalent period of 1975) augurs well for the remainder of 1976, and Ajax should have another good year.

In spite of continuing cost escalation, plantation results are likely to improve, reflecting particularly higher world prices for rubber. For Guthrie Berhad, on the other hand, there will have to be a considerable improvement to South East Asia's economic climate in the second half of 1976 if trading for the year is to show any material advance on 1975.

Both International Trading and the Pacific Region have started the year well.

Taking into account the results for 1976 available at the time of writing (the first four months) and on the assumption that economic conditions will not deteriorate during the remainder of the year, I consider it probable that earnings for 1976 will show improvement over 1975, and indeed over 1974.